

DEPARTMENT

NDIA.

AND INDUSTRY.

FROM

THE H.C.

JOVEN, C.I.E., I.C.S.,

Secretary to the Government of India,

To

THE SECRETARY

THE GOVERNMENT OF MADRAS,
REVENUE DEPARTMENT.

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF BENGAL,
FINANCIAL DEPARTMENT.

THE REVENUE SECRETARY TO THE GOVERNMENT OF
BURMA.

THE SECRETARY TO THE GOVERNMENT OF BIHAR AND
ORISSA, FINANCIAL DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF THE
UNITED PROVINCES, SEPARATE REVENUE
(EXCISE) DEPARTMENT.

THE FINANCIAL SECRETARY TO THE
GOVERNMENT OF THE PUNJAB

THE HONOURABLE THE AGENT TO THE GOVERNOR
GENERAL AND CHIEF COMMISSIONER,
NORTH-WEST FRONTIER PROVINCE.

THE HONOURABLE THE CHIEF COMMISSIONER OF
CENTRAL PROVINCES.

THE HONOURABLE THE CHIEF COMMISSIONER OF
ASSAM.

THE HONOURABLE THE CHIEF COMMISSIONER OF
AJMIRANWALA.

THE HONOURABLE THE CHIEF COMMISSIONER OF
TOMOR.

THE CHIEF COMMISSIONER OF
COORG.

THE HONOURABLE THE AGENT TO THE
GOVERNOR GENERAL AND CHIEF
COMMISSIONER OF PERTH AND MELBOURNE.

Enclosure No. 2.

No. 221-Exc., dated the 13th March 1913.

From—The HONOURABLE LIEUTENANT-COLONEL Sir George Montague,
K.C.I.E., Chief Commissioner and Agent to the Governor General in
the North-West Frontier Province,

To—The Secretary to the Government of India, Department of Commerce and
Industry.

In compliance with your letter No. 477-490-218-Exc. of the 29th January 1913, I have the honour to forward herewith the required statements duly filled up showing the consumption of and taxation realized on excisable articles in the North-West Frontier Province during the years 1905-06 to 1911-12 and to offer the following observations upon the points raised by the Deputation of July 1912 before the Secretary of State for India.

2. As previously reported, local advisory committees have not been formed in this province, nor does the need for such organizations exist. Conditions are practically the same now as in 1908-09 as far as Excise Administration is concerned here: no truly representative element exists, even in municipal areas, the consuming classes being mainly foreign to the province, and local committees would, I still consider, be entirely superfluous.

3. As regards the further curtailment of the number of licensed shops and the hours of sale it will be seen from Statement C that the number of shops has been reduced from 50 in 1905-06 to 37 in 1911-12, and with effect from April 1st 1913 the number is about to be reduced to 34 if 7 shops to 33. The number as it stood in 1911-02 gives one shop only to every 357 square miles and 1.7 shops only per 100,000 head of population: this cannot be called excessive and probably the extreme limit is now being reached in this direction.

As to the hours of sale, in accordance with the recommendations of the Excise Committee they were fixed at between sunrise and 7 P.M. in winter and sunrise and 9 P.M. in summer, extensions being permitted upon payment of further fees at places where Collectors were satisfied that real demands existed. It is perhaps questionable whether shops need be opened for sale at sunrise and the hours might be curtailed, say, to between 12 noon and 7 P.M. and 9 P.M. in winter and summer respectively, but I do not anticipate that such an alteration would have any appreciable effect upon actual total consumption in this province.

4. The abolition of the auction system was fully discussed in the Excise Committee's Report. Country liquor shops are sold by auction in all the districts of the North-West Frontier Province and the system is the most suitable to local conditions. It has not in practice been found to lead to abuses or mal-practices, and provision exists in the Excise Rules of this province for determining the highest and lowest annual fees at which shops may reasonably be licensed, the highest fees so determined not being made public. The incidence of total revenue per proof gallon has risen from Rs. 6.7 in 1905-06 to Rs. 8 in 1911-12, the revenue derived from fees under the auction system having risen from 1.17 lakhs to 1.75 lakhs in the same period, but the actual consumption shows no such marked increase. There does not, therefore, appear to be any good reason for altering the present system.

5. The localities of shops have from time to time been examined by Collectors: no complaints in this respect have been made; but, as desired, instructions will again be issued to the local officers to bear in view the principles already approved by the Government of India. The necessity for acquiring sites for liquor shops in this province has not been felt and is unlikely to arise for some time to come.

Enclosure No. 4.

No. 1841, dated the 12th July 1913.

From—P. B. WARBURTON, Esq., I.C.S., Secretary to the Chief Commissioner of Coorg,

To—The Secretary to the Government of India, Department of Commerce and Industry.

With reference to the correspondence ending with your letter No. 3743-3754-104, dated the 12th May 1913, I am directed to submit the following report on the Excise administration in Coorg.

2. In recent years there has been a steady increase in the recorded consumption of liquor and the revenue derived therefrom. This is, however, largely due to more careful supervision, and the habits of the people of the country have undergone no change. The large floating coolie population in the province has increased of late years and the colder climate and high wages no doubt induce them to spend more on stimulants than they do in their own villages.

3. The statistics relating to the consumption of and taxation realised on excisable articles of different descriptions in Coorg during each of the years 1905-06 to 1912-13 are furnished herewith.

4. As regards extending the powers and scope of local advisory committees, it does not seem that, so far as Coorg is concerned, any extension is possible. The members of the two municipalities of Mercara and Virajpet form the advisory committees. The member appointed for the ward and the adjacent residents are consulted as regards the number of shops and the suitability of each site within these limits. For the rest of Coorg, which is practically rural, it is not at present possible to establish effective advisory committees.

5. The question of curtailment of the number of shops is invariably kept in view. It will be seen from the statistics now submitted that the local authorities have been gradually decreasing the number of all kinds of shops with a view to arriving at a suitable minimum. It is, however, necessary to guard against illicit practices which would probably spring up when a reasonable local demand could not be met from licit sources. A shop licensee in rural tracts generally acts as a watchman over the people in the neighbourhood of his shop, and the Excise officers mainly depend on him for information as to illicit traffic in liquor.

6. In the Chief Commissioner's opinion the hours of sale may safely be curtailed in Coorg, where people come to market once a week from distant places and go back before 6 or 7 o'clock in the evening. The opening of a shop later than sunrise and its closure earlier than 9 P.M., as at present, will not make much difference in the sales. It is therefore proposed to fix the hours of sale at between 8 A.M. and 6 P.M.

7. With reference to the question of the replacement of the auction system by one of fixed license fees, it is not considered that any change is called for in the case of toddy (*tari*) shops. The existing system, under which the shops are sold to the actual vendor, was introduced only in April 1909, and has worked satisfactorily. It is more elastic and does away with the necessity for maintaining very elaborate accounts.

8. In the case of country liquor shops the Chief Commissioner does not advocate the adoption of the Bombay system of fixed license fees. The object in view is to discourage excessive consumption of liquor; but by allowing the licensee a fixed fee for every gallon of arrack sold by him, the incentive to push the sale is in no way removed or diminished. The position would be more or less the same as it is at present under the auction system. Moreover, physical conditions in Coorg render it impracticable to fix a uniform rate of licensee's expenses for each gallon sold in shops of the same class. The distance of each shop from the wholesale dépôt has an important effect on a licensee's expenses. The rent of shop buildings also varies with the importance of the places in which shops are located. In the above circumstances, the Chief Commissioner would prefer to retain the auction system for country liquor shops.

9. The instructions given in paragraph 6 of your letter No. 477-490-218, dated the 24th January 1913, have been noted.

188 in 1912-13. This means a reduction of 19, or rather over 7 per cent, within about 8 years. This statement further shows that the number of shops as compared with the area and population which they serve is remarkably small. The district officers of the eight plains districts have been consulted on this and other points and replies have been received from all, except the Deputy Commissioners of Kamrup and Goalpara. None of them recommends any further reduction. The Deputy Commissioner of Lakhimpur remarks:—

"There is no room for any reduction; the number of shops is at present hardly adequate to meet the demand".

It must be remembered that during the years under review, the population from which the drinking classes are chiefly drawn, i.e., that of foreigners, including garden coolies and ex-coolies, has very largely increased and still is increasing. The tea industry has been in a flourishing condition and wages have gone up; consequently, there has been more to spend in liquor. It is hardly necessary for me to point out that the distillery system has, over a large area, displaced the outstill system, for which accurate figures for consumption were not available. Again, the figures for prosecutions for distillation, sale and importation of spirit show that the preventive establishment has been more active, and it is probable that there has been a decrease in consumption of illicit spirit. Moreover, it is not unreasonable to suppose that, with the increase in the consumption of excise spirits, there may have been a decrease in that of laopani or pachwai, which is an uncertain quantity. This, within certain limits, may be brewed free for home consumption. Apart from the danger of giving practical monopolies for the vend of country spirits by the further closure of shops, there is that of vastly increasing the consumption of illicit spirits and laopani. Nor is it impossible that we might thus indirectly encourage the consumption of such drugs as ganja. Taking the whole circumstances into consideration, I am not at present prepared to recommend any further reduction in the number of shops.

I may add that the Excise Commission of 1905 found that the number of shops in Assam needed no change, *vide* paragraph 222, page 92 of the Report, read with paragraph 332 (f), page 143. It is clear, therefore, that in this direction, we have gone beyond the recommendations of the Commission.

(l) I turn now to the more difficult question of the curtailment of the hours of sale. The rule at present in force is that shops licensed for the sale of excisable articles may be kept open from sunrise till 8 p.m. in the cold season (16th October till 15th March) and till 9 p.m. in the hot season (16th March to 15th October). In the plains districts, however, shops for the retail sale of country spirit, in the vicinity of tea gardens, or to which tea garden coolies resort, shall be closed at 4 p.m. on market days and holidays (rule 206, page 125, Excise Hand Book). The Deputy Commissioners of Sylhet, Cachar and Nowgong are against any further reduction in these hours. The Deputy Commissioner of Lakhimpur thinks that the hours should not be materially curtailed but that shops might be closed at 8 p.m. summer and winter. He remarks that the earlier closing of the shops might prove a hardship to garden coolies. The Deputy Commissioner of Cachar refers to the not uncommon practice of sale after closing hours in coolie lines near established shops. He apprehends that earlier closing hours would encourage this. Major Playfair, Deputy Commissioner of Sibsagar, says that he would like to see liquor shops closed before nightfall, say 7 p.m. in summer and 6 p.m. in winter, "for" he adds "it must be during the hours of darkness that many acts of frauds on the consumers are practised and breaches of license committed with little chance of detection." He goes on to say:—"But here again we must consider whether earlier closing hours will influence tea garden labour." The Deputy Commissioner of Darrang also suggests that in rural areas closing hours should be reduced to 6 p.m. in winter and 7 p.m. in summer. In towns, he thinks, that further curtailment would cause hardship to consumers and would make no change. Early closure on market days should be enforced in all liquor shops, except those at district and sub-divisional headquarters. The Excise Commission seems to favour early closing, *vide* paragraph 248, page 105, of its Report, in which the following remarks are made:—"The Committee consider that, as a general rule, the closing hour should be fixed at 9 p.m..... In some cases earlier closure is desirable. In Assam it has been proposed to

close shops frequented by tea garden coolies at 4 p. m. in the cold weather and 6 p. m. in the hot weather. The gentlemen who conducted the canteen experiment went even further and opened for only two hours in the afternoon on week days and in the mornings on Sundays. It may be desirable to enforce similar regulations where similar circumstances exist or arise."

As regards this province, I do not think that the early hours of opening afford much, if any, ground for criticism. A good deal, however, may be said against the practice of keeping shops open after dark, and I think that, ~~all~~ things considered, we might curtail the evening hours. 5 p. m. in winter and 7 p. m. in summer would, perhaps, not be too early. I doubt whether this would cause any real hardship; but, as garden coolies are chiefly concerned, it might be desirable to consult representatives of the tea industry before definite action is taken. I am, however, inclined to think with the Deputy Commissioner of Darrang that in district and sub-divisional headquarters, where circumstances are different, the present hours might remain. I am also inclined to agree with him in his suggestion as to the enforcement of early closing hours on market days and holidays in all rural shops. The reasons for this, though they may be stronger where tea garden coolies are concerned, apply in other cases and there seems no sufficient ground for making a distinction.

3. The next recommendation of the Deputation is as follows :—

(2) "That the system of excise advisory committees should be extended to all municipalities and that these committees should be made more representative and given power to deal with all licenses for the sale of intoxicants of every kind."

In connection with this may be considered (4) "That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of local committees or other independent authority."

In Eastern Bengal and Assam advisory committees were formed only in three large towns of Dacca, Narayanganj and Chittagong. There are none in Assam. The rules as to the ascertainment of local public opinion are to be found at pages 85 to 87 of the Excise Hand Book. Municipal bodies are consulted as to the sites of shops within municipal limits and objections as to sites generally are invited every year from the public. No new shop is opened or site changed, without notice being given to the manager of any factory likely to be affected by it. Though the Deputation refers specifically to municipal areas, I think that, as regards Assam, where municipalities are small and comparatively unimportant, it will be well to consider the question with reference to rural areas also.

The Deputy Commissioners of Sylhet, Lakhimpur and Nowgong are unreservedly against the appointment of advisory committees either for municipal or rural areas. The Deputy Commissioner of Sibsagar, after a careful consideration of the whole question, comes to the following conclusion :—

"There would be no difficulty in appointing committees in these places, (headquarters of districts and sub-divisions); but as they would deal at most with one shop for each kind of excisable article, it does not seem that they will fill any very useful purpose, when the district and sub-divisional magistrate is at hand to exercise control. My personal opinion is that though the appointment of committees would present no difficulties, they would not prove effective in putting down abuses and bringing offenders to book, either in urban or rural areas".

The Deputy Commissioner of Darrang is of opinion that there is at present no necessity for any special advisory committee in his district either at headquarters stations or in rural areas. He thinks that if it is decided that committees for rural areas are required, the Local Boards would probably be the best bodies; he points out, however, that there are certain strong objections to making use of them.

The Deputy Commissioner of Cachar thinks that committees with a majority of non-official members could be formed with advantage at the district and sub-divisional headquarters of Silchar and Hailakandi, but that such committees in rural areas are out of the question for the present,

* * *

As regards district headquarters stations, which would include municipalities, I think that, mainly for the reasons given by the Deputy Commissioner of Sibsagar, committees would be of little, if any use. In Assam the excise question is generally not of any great importance in municipal areas. Our municipalities are small and do not contain individually a large number of excise shops. There is not the same problem as exists in a town in England or a big city like Calcutta.

Then again there is the difficulty of forming a committee containing a majority of non-officials which would, in fact, be representative of local opinion. In this province we have to consider a population heterogeneous, among other things, in race, caste and religion. It would, I think, not be easy to secure members who would at the same time be representative and disinterested. I am inclined to think that, while dealing with such a committee would involve extra work, little would be gained and there would be some risk of intrigue and possible friction.

It seems to me, in fact, that the question, as regards municipalities, is one which in this province scarcely arises. My conclusion is that such committees for municipalities would make little difference one way or the other. Though I would not strongly oppose their formation, I think that no good case has been made out.

As regards rural areas, the difficulty of forming and working such committees would be still greater. The Deputy Commissioners are unanimously against them. We have practically the same difficulties which I have referred to above, coupled with the fact that large areas, parts of which are not easy of access, have to be dealt with. In this connection two bodies might suggest themselves as possibly suitable, firstly, the existing Local Boards, and secondly, the proposed village organisations. A general objection to Local Boards is that they already have enough to do. There are also other objections of a more serious character. The Deputy Commissioner of Cachar remarks:—

“.....but it must be remembered that the members of the Local Boards are not of the classes for whom the excise preparations sold have much attraction, and their decisions would be in my opinion very apt to overlook the claims of the unrepresented classes”.

The Deputy Commissioner of Darrang points out that the members who have definite knowledge of any particular rural area would be small and there is a danger that the decisions of the Board might be governed by the advice of one or two possibly interested members.

I submit that the above objections are entitled to considerable weight. Personally, I think that Local Boards are not suited for the work. I may point out that the Decentralisation Commission was of this opinion (paragraph 743). In summing up my main reasons I would say that Local Boards already have enough to do, that the non-official members, as is to be expected, generally have no local knowledge of the sub-division as a whole, that they do not as a rule represent the classes concerned, and that they may not be free from bias.

As regards village organisations, most of the same objections apply. Several of the Deputy Commissioners have rightly, I think, argued that the members are not likely to be sufficiently educated and experienced for their opinion to be of much value and that their work should at least be tested for some years before the experiment of giving them power in excise matters is tried.

I agree that they, too, as far as we can judge, at present, would be unsuitable. In my opinion Assam is not as yet far enough advanced, and the difficulties are too great for any such experiment to be made in rural areas.

My finding on this point largely answers the question as to the removal of the licensing function from the Revenue Department. No suitable local committee could, in my opinion, be constituted. Nor do I think it practicable or desirable to substitute any other for the present licensing authority. The objections to the present arrangement appear to be theoretical.

4. (3) "That the auction system of licensing shall be superseded by a system of fixed license fees, as recommended by the Government Excise Committee of Enquiry."

This was recommended by the Excise Commission, with certain reservations, in Chapter X of its Report. The Government of India in its Resolution No. 2997-Exc., dated the 16th May 1907, expressed its disagreement with the Excise Commission and laid down the conditions under which the auction system should be carried on. In circular No. 18 of November 1909, the substance of which is reproduced at pages 162-164 of the Excise Hand Book, the Board of Revenue, Eastern Bengal and Assam, gave detailed instructions on the subject.

The Deputy Commissioners of all the districts from which I have received opinions, with the exception of Sibsagar and Darrang, consider that no change is practicable. The Deputy Commissioner of Sibsagar suggests levying vend fees by a surtax on the consumption of the year in question. He says that he would give out at the sales for one year that in the following year excise shops would be settled with those lessees who have the best record and would calculate the surtax as a charge per seer or gallon of excisable article, calculated on the license sales for five previous years and the average quantity of the articles sold.

The Deputy Commissioner of Darrang thinks that as maximum prices for country liquor are fixed, and prices approximate to these, the profit could be accurately calculated. Shops could then be settled practically by selection.

The question is admittedly one on which much can be said on both sides. It would serve no useful purpose for me to recapitulate the various arguments for and against the system, and I am afraid that I can advance no original theories.

Undoubtedly the auction system is liable to various abuses, and our aim should be, I think, eventually to substitute a system of fixed fees. At present, however, I am inclined to think that to do so would be to open the door to still greater abuses. The two great objections are that a system of selection would throw too much power into the hands of the subordinate Excise staff and that, at present, we have not, and cannot collect, sufficient data for arriving at the actual value of excise licenses. The following sentences seem to me to sum up the case very fairly :—" Given a thoroughly efficient and reliable Excise staff in all its grades and materials for estimating the correct value of shops, it is probable that a system of selecting vendors with reference to the circumstances of each shop would give a better class of vendors. This is an end to be aimed at in the Excise system, but at the present time the two necessary conditions required for its success are wanting in this province." (Vide Excise Hand Book, paragraph 3, page 163.)

5. With reference to paragraph 4 of the letter of the Government of India, I may say that the principles to be observed in the location of shops, referred to therein, are reproduced at paragraph 65, page 83, of the Excise Hand Book. From enquiries it would appear that they are generally being carried out.



Enclosure 6.

Letter from C. G. Leftwich, Esq., I.C.S., Third Secretary to the Chief Commissioner, Central Provinces, to the Secretary to the Government of India, Commerce and Industry Department, No. 230—XV.-1-2, dated Nagpur, the 12th September, 1913.

I am directed to reply to the Honourable Mr. Enthoven's letter No. 477-490-218, dated the 24th January, 1913, on the subject of certain criticisms made on the Excise administration in India by a Deputation which waited on the Right Honourable the Secretary of State for India in July, 1912. As desired in the second paragraph of that letter, I am directed to submit statistical information for the Central Provinces and Berar in the forms annexed to it.

2. It is evident that the members of the Deputation are not prepared to accept as satisfactory the explanations already given by the Government of India, in their despatch of the 8th October, 1908, of the increasing revenue from liquor, and they again raise certain questions connected with the Excise administration regarding which the Government of India in that despatch had returned a full and distinct answer. The Chief Commissioner does not propose in connection with the present reference, to enter into any great detail in dealing with the arguments that have now been brought forward. They have already been met, and in his opinion completely met, by the Government of India's previous communication to the Secretary of State. A consistent policy has been laid down by the Government of India—that policy has been quoted in paragraph 7 of the despatch of 1908—and in following it out, the Government in this country has to be guided by practical considerations, which, though they may not be altogether overlooked by temperance advocates, do not receive, and perhaps could hardly be expected to receive, from the latter that understanding which must be given them by the authorities who are responsible for the task of administration in India.

3. The Deputation evidently regard the expansion of the Excise revenue as indicative of expansion of consumption. I am, however, to point out that the statistics tabulated under the orders of the Government of India prove that the direct action of the Local Administration in continually raising the rate of duty, which reacts at once on the retail price of liquor, has had a marked effect in reducing consumption during the last seven years. The figures for Berar, where alone an exact comparison is possible, show a very substantial decrease in consumption. In the Central Provinces, owing to the changes that have taken place in the systems in force, the decrease cannot be so definitely stated. But whilst the area under the Distillery System has grown by 100 per cent. and the population served by it in the same proportion, the increase in consumption has amounted to only 70 per cent.

4. Since 1905-06 the area served by outstills in the Central Provinces proper has been reduced from 63 to 25 per cent. of the total area, and the population served by them from 49 to 13 per cent. of the total population. In the area served by Contract distilleries, being 79 per cent. of the total area of the combined Provinces, with 90 per cent. of the total population, the highest rate of duty has been raised in the same period from Rs. 3-6-0 to Rs. 5-15-0 per proof gallon, and the average rate has been raised from Rs. 2 to Rs. 4-2-0 in Berar and from Rs. 1-15-0 to Rs. 3-7-0 in the Central Provinces, and this in spite of the fact that, when backward tracts are newly brought under the Contract Supply System, a low rate of duty has to be imposed in the first instance. Total taxation has risen from Rs. 4 to Rs. 6 per proof gallon in the Central Provinces and from Rs. 5 to Rs. 7 in Berar. The rise in the retail price has risen in an even higher proportion. While in 1905-06 the price of a bottle of 60° U. P. liquor in the distillery area ranged from 3 to 9 annas, it is now from 4 to 16 annas according to locality : in this connection it may be pointed out that no less than 30,000 square miles have been converted from outstill areas in which the price ranged from 1½ to 2 annas a bottle. There were no means of ascertaining with precision the amount of liquor consumed in the areas served by outstills, but it must certainly have been much greater than at present, the price having been so low, and the conversion of such areas in the Central Provinces has, as already remarked, made it impossible to compare the incidence of consumption with exactitude. In Berar, however, where there has been no change in system, the total consumption has fallen from 526,000 to 436,000 gallons and the incidence from 19 to 14 proof gallons per 100 persons. The great advance made in reduction of the number

of licensed liquor shops and in reduction of the proportion of the licence fees to total taxation, will be noticed later when dealing with the subjects of local option and abolition of the auction system.

5. In regard to the future I am to say that it is not to be expected that the reduction in consumption effected in the last seven years can be maintained, nor that the expansion of revenue from Excise will be arrested. The prosperity of these Provinces has been advancing by leaps and bounds : agriculturists have enjoyed a series of good seasons with an ever-increasing value for the outturn of their crops, while the labouring classes throughout the greater part of the Provinces are able to choose their occupation owing to the great expansion of commercial and industrial activity. The expenditure of the Public Works Department of Government (exclusive of establishments) has risen from 49½ lakhs in 1905-06 to 96¾ lakhs in 1912-13 : large railway works of construction have been on hand, new mills and factories have been constructed and have started work, and new mines have been opened. The expansion would have been still greater but for the want of sufficient labour to meet the demand. In such circumstances labourers can command a high wage which enables them to pay more for their liquor. The limit is not yet in view. Enhancement of revenue is an inevitable corollary of such increasing prosperity and is likely to continue. In connection with the remarkable increase of Excise revenue I am to quote from paragraph 11 of the annual report on the Excise revenue of the Central Provinces and Berar for the year 1910-11 :—

"The advance in the net Excise receipts from 43 lakhs in 1893-94 to 74 lakhs in the year under report may naturally give rise to the question whether our Excise policy is moral or immoral, to what extent the increased revenue is obtained at the cost of the degradation of the people. Now an increase in the revenue from Excise can arise in four ways—(1) from high-taxation upon excisable articles, (2) from improved administration tending to a reduction in the profits of purveyors of excisable articles and also in the illicit traffic in such articles, (3) from a larger consumption following on an increase in population or in the purchasing power of persons accustomed to use intoxicants in moderation, and (4) from an obviously undesirable increase in consumption due either to greater prevalence of the excessive use of drink or drugs among any class formerly free from such habits. In a Province in which the conditions are so diversified and in which there has for some years been a series of changes in system calculated to put an end to the lax control over intoxicants, which still obtains of necessity in the more remote and wilder tracts, it is difficult to make comparisons of the consumption year by year in order to discover how far this large expansion in the Excise revenue is a cause for unmixed congratulation. The information which we have goes to show that it is to first three of the above causes and not to the fourth that our rise in Excise income is due."

6. It has been noticed in paragraph 3 of this letter that the actual consumption of liquor has considerably decreased during the past seven years, in spite of conditions greatly in favour of its increase. This has been achieved by the direct action of Government. But the Deputation quote figures to show that drunkenness has increased, relying on statistics of convictions for drunkenness in public places in Municipal towns. The number of such convictions varies from year to year, being 384 in 1909-10, 490 in 1910-11, 356 in 1911-12, and 425 in 1912-13. Little reliance can be placed on these figures as criteria of the actual prevalence of drunkenness, and the Commissioner of Excise in his report for 1910-11 remarked on the variations from time to time and from place to place in the activity of the police. Thus in 1909-10, there had been 167 convictions in Jubbulpore and 132 in Nagpur : in 1910-11 the figures were 93 and 274 respectively. In the report for 1912-13 the return of convictions for drunkenness is blank for not less than eight districts. As regards rural areas Sir Benjamin Robertson is supported by the opinions of District officers in his view that not only has drunkenness not increased generally, but that in areas in which outstills have been abolished there has been a marked increase of sobriety. To quote one only, Mr. C. A. Clarke, Deputy Commissioner of Nagpur, writes, "My information is that there is far less drunkenness now than in the old days when there was no control, that the liquor now consumed costs six times the old outstill liquor, and is far less injurious and far less intoxicating."

7. The Deputation have returned to the charge against Revenue officers of a desire to spread the consumption of alcohol in order to raise the revenue. It is not

a charge which the Civil Servant would expect to have to meet in view of the whole history of British rule in India. Mr. Napier, the Commissioner of Jubbulpore, pertinently remarks that "A District officer of the poorest capacity must see that expenditure on liquor is unproductive and does not make for prosperity. I suppose that it is hopeless to expect a person to realise a District officer's position and feelings in a matter of this kind until he has been one, but those who have held the position know that there is very little interest evinced in the amount of revenue to be collected. Stress is only laid on the full collection of the amount which has been determined by other means." And again, "lately in Jubbulpore it was the District officer who had to intervene to prevent the opening of a new foreign liquor shop, the petition for which had been backed by a large number of respectable people." The charge brought against the British Administration generally, as contrasted with the old Hindu and Muhammadan dynasties, has already been met by the Government of India in their despatch No. 294 of 1908. But the present state of affairs outside British India is also worth considering. Mr. Napier writes, "The practice of Native States in the past in not regulating the liquor traffic and in collecting no revenue from drink seems to be held up by members of the Deputation to praise. I would contrast the state of affairs in Rewah, where numerous outstills are located all along our border, with, in several cases, two or three outstills situated in a single village." Such a result of State aloofness can scarcely be held up for emulation.

8. To come now to the specific recommendations made by Sir Herbert Robert's Deputation, the first is twofold, *viz.* :—

- (a) that licences for the sale of intoxicants should be steadily reduced in number, and
- (b) that the hours of sale be further limited.

As regards (a), it can be claimed that in the Central Provinces and Berar Government has gone very far already and it is probable that a point has been reached beyond which it would be dangerous to proceed further. The number of liquor shops has been reduced from 6,425 in 1905-06 to 3,714 in 1912-13, *i.e.*, by 42 per cent. The number of shops per 100,000 of population has in the same period been reduced from 61 in the Central Provinces and 34 in Berar to 28 and 23 respectively, and the average area served per shop has risen from 15 and 19 to 27 and 26 square miles. Similarly, the number of *tari* (or toddy) shops has been reduced in this period from 1,221 to 493 and the number of Foreign liquor licences from 176 to 140. With reference to this very considerable reduction the Honourable Mr. Walker, Commissioner of the Nerbudda Division, remarks, "It is to be remembered that, at the same time that we have reduced the number of shops, we have enhanced the rate of duty on spirits enormously, and in tracts where the outstill system with its easy methods has just vanished, caution must be observed lest we make licit liquor not only too expensive but too inconvenient to be obtained." Mr. Napier, Commissioner of Jubbulpore, writes, "The difficulty which a large portion of the population experiences in getting alcoholic liquor can well be imagined"; and again he gives "a few statistics which show the real danger that the reduction of facilities for obtaining alcohol drives the people to the use of more deleterious drugs." And Mr. C. A. Clarke, Deputy Commissioner of Nagpur, states, "It might fairly be argued that the recognition of legitimate refreshment has not been much regarded in the reduction of shops."

9. It seems certain that, for the present at any rate, it would be dangerous to proceed further in the reduction of liquor shops. The Commissioner of Excise writes, "I am of opinion that in some of the districts the reduction has been carried too far, and some shops may have to be re-opened as necessity arises. In the backward tracts, principally inhabited by aborigines, a centre of licit supply is a great check on illicit production. Another aspect of the case is that shops far apart, while they may discourage visits from people accustomed to drink in moderation, are apt to induce drunkenness when such deferred visits are paid." Again, "It may also be confidently asserted that any more rigorous measures towards putting down consumption would have brought more serious evils in their train, and would certainly have produced great discontent amongst the most loyal and law-abiding classes in this Province." In the report for 1912-13 the increase in offences of unlicensed sale of duty-paid liquor is noticed as pointing to the need of consideration

whether the shops in the tracts concerned are not too far apart. Apart from the danger of driving moderate drinkers to the use of more deleterious drugs, or the unwarrantable causation of discontent, there is the grave danger of illicit production accruing from too active a campaign for making liquor deterrently expensive. In 1912-13 as many as 290 cases of illicit distillation were detected, and it is certain that a great many must have gone undetected. A significant fact was the detection of such illicit production in open well-developed tracts of country such as the Nagpur, Amraoti and Akola Districts and the Warora Taluk of Chanda District, in which the retail price of liquor had been forced up to a point making its production over-attractive for the smuggler.

10. The second portion of the Deputation's first recommendation is that the hours of sale be further limited. Opinions differ somewhat in regard to this point. The hours prescribed are from sunrise to 9 p.m. Some of the officers consulted would agree to their reduction to 12 hours, but the Honourable Mr. Walker writes, "Such curtailment seems to me to be dangerous, and I can see no reason for pressing it unless it is admitted (for some unexplained reason) that it is necessary to treat every day in India as if it were a Sunday in England." Mr. Chitnavis, Deputy Commissioner of Chhindwara, himself a Hindu, points out that "the requirements of different classes of people are varied : some require liquor in the morning, others in the evening, others again at noon for social and religious purposes." The Chief Commissioner is, however, inclined to think that the need, if any, for liquor in the morning can be met by its purchase on the previous evening, and it is not desirable that any encouragement be given to persons obtaining liquor on their way to the day's work. Sir Benjamin Robertson is, therefore, prepared to advance the opening hour for sale from sunrise to 8 a.m. He is not prepared to suggest any curtailment of the evening hours. It is the general opinion of doctors that the use of alcohol is best deferred till after sunset, and as the Commissioner of Excise points out, "In towns the labouring classes are not free till late in the evening, and it is desirable not to drive them from the field or factory straight to the liquor shop, which would be the case if shops are closed earlier than now. In rural areas, the shops are now far apart, and the above difficulty would be accentuated. 9 p.m. is by no means a late hour in India, and the drinking population would undoubtedly resent any change."

11. The second and fourth proposals of the Deputation can conveniently be considered together, viz. (ii) that the system of Excise Advisory Committees be extended to all Municipalities, and (iv) that the licensing function be removed from the control of the Revenue Department. Licensing Committees consisting of two members elected by the Municipality and of the Deputy Commissioner and the District Superintendent of Police have been constituted for the towns of Nagpur and Jubbulpore, and have worked satisfactorily. In all other towns with a population of over 20,000 the Municipal Committees are consulted as to the maximum and minimum number and the locality of shops in the towns, and their wishes have been met except in one instance where the Committee proposed the closure of two existing shops without due consideration of the public demand. The Deputy Commissioners' decisions are subject to the approval of their Divisional Commissioners : the Commissioner of Excise has no control in the matter. The Chief Commissioner proposes to extend the rule for consulting Municipal Committees to all such bodies, irrespective of the population of the Municipal town. At present these Provinces are not ripe for any further extension of the system of Special Licensing Committees. The Commissioner of Excise points out that "under present conditions none of the drinking classes could be represented on such Committees, and the non-official element would consist of persons who take either a purely academic or no interest in the matter, or of persons who by religion and training are absolutely hostile to the use of liquor or drugs." Even in Nagpur, when the Municipal Committee was first asked to consider the location and leasing of permanent liquor shops, the Committee refused to have anything to do with the liquor trade on the grounds of morality! Sir Benjamin Robertson believes that such an attitude will rarely be adopted, and is not therefore deterred from extending the practice of consultation to all Municipalities. These bodies, as observed in paragraph 24 of the despatch of 1908, are exponents of at least a certain section of public opinion to which attention should be paid, and their association with Government in this branch of the Administration is of some educative value.

12. The Chief Commissioner regards, however, the Deputation's further proposal to remove the licensing function from the control of Revenue officers as absolutely impracticable. The Honourable Mr. Walker points out that "a few years ago there were indications that a temperance movement might be engineered for political purposes with the object of hampering Government by loss of Excise revenue. The movement did not effect much, but it serves as an example of how impossible it is, in a system of Government like that of India, to entrust the power of final decision in Excise matters to any other authority than Government itself. A system of local veto, if practically applied, not only would result in class tyranny, as pointed out by the Government of India in their despatch of the 8th October, 1908, but also might possibly be used for purposes directly hostile to the British Administration in India." In Sir Benjamin Robertson's opinion the position has in no way altered since the Government of India dealt with this subject in 1908, and the question of a separate licensing authority is absolutely outside the bounds of practical politics.

13. There remains only the third proposal of the Deputation, viz., to abolish the auction system of licensing and substitute for it one of fixed license fees. I am to point out that this question has been thoroughly and exhaustively discussed in the Government of India's Resolution No. 2997-Excise, dated the 16th May, 1907, and the reasons there given for holding that the adoption of a non-competitive system for the disposal of the right of retail vend of country liquor is impracticable remain, Sir Benjamin Robertson thinks, unshaken. At the same time the policy of reducing the proportion of license fees to total taxation has been steadfastly followed by periodically raising the rate of duty. The proportion of license fees to total Excise taxation on country liquor in 1901-02 was 44·7 per cent. in the Central Provinces; it has now fallen to 34 per cent. Thus, without any violent change in policy, a rapid advance has been made towards the substitution of duty for license fees. Large profits from liquor monopolies continue to be realized in Berar where the incidence of vend fees to total taxation on country liquor still remains at about 42 per cent. While there is no proof that the licensees take active steps to enhance the consumption of liquor, it would appear that there is still a large margin of profit left to them in spite of the already high rate of duty, which brings the retail price within a short distance of that for inferior foreign spirits. Mr. Standen, the Commissioner of Berar, who has examined figures supplied by Deputy Commissioners, believes that "it is uncommon to find a very high bid followed by increased consumption. Occasionally, no doubt, a reckless Kalar will try to make good his prospective loss and at the same time perhaps damage a neighbouring rival by selling at a specially low price, but this is rare." He is, however, in favour of keeping in view the ultimate adoption of some system like that outlined by the Indian Excise Committee, 1905-06, in paragraph 202 of their report : but he is doubtful if a stage has yet been reached, even in Berar, at which it is possible to regard the rate of duty as sufficiently fixed to enable the Administration to obtain an accurate knowledge of shop values. As remarked in paragraph 29 of Government of India's Resolution No. 2997, dated the 16th May, 1907, a system similar to that adopted in the Bombay Presidency had been formerly tried in Berar and had to be abandoned. Sir Benjamin Robertson thinks it would be well to await for a few years the results of experience gained in Bombay before attempting the introduction of the system again in Berar.

14. The Chief Commissioner proposes, however, to tighten up the rule of general application concerning the rejection of speculative bids. The existing rule in the Central Provinces runs : "The officer holding the sales may reject bids he deems to be purely speculative, but where he considers it desirable to adopt this course he should at the time record his reasons in writing." This, in Sir Benjamin Robertson's opinion, is not sufficiently impressive, and he proposes to amplify the rule and to enjoin on all officers the necessity of carefully seeing that such bids are not accepted. Instructions will be issued to guide officers in applying the principle of rejection.

15. At the end of paragraph 13 of the statement submitted by Sir Herbert Roberts on behalf of the Deputation, the Chief Commissioner observes a motion brought before the United Provinces Council in April, 1911, to prohibit the grant of special licences for the sale of liquors and intoxicating drugs on the occasion of

7. There is at least one Native State in the Punjab where drinking is done at a religious rite, and the people make their own liquor free from all restriction or imposition of duty. Moreover Sir Michael O'Dwyer pointed out that a lot of restrictions borrowed from the British Excise system were introduced without the last few years into certain States of Central India. It was reported that at a recent fair at mobbed by crowds of Bhils, Savars, Patiya, and other aboriginal and semi-aboriginal tribes, who represented that their religious customs demanded the free use of liquor at festivals such as the Holi and Dusshera both for personal consumption and for libations to their deities; that then too were annoyed by the failure of the authorities, refusing to accept such paltry substitutes as sugar, ghi and soles; and that scarcity and famine were the result. So strong was the feeling that it was found necessary to ease off the restrictions for some years at least, and to allow local distillation within limits at certain festivals. Recently in this Province Deputy Commissioners have refused to issue licences for the sale of liquor at some of the great religious fairs, and though they had good reasons for their action, in at least one instance it aroused a strong local protest as interfering with old-

established custom. I am to refer to this experience to show that while it is admittedly the duty of Government to discourage as far as possible the drink habit, it must not be forgotten that there is a vast body of public opinion unrepresented on the platform, in the Press, or in the Legislative Councils, which resents regulation and restriction of the traffic, and which cannot be left entirely out of consideration. His Honour has no doubt that something of this nature was present in the mind of Lord Morley when he quoted so aptly to the temperance deputation of 1907 Herbert Spencer's illustration of the fact that reforms cannot be made whenever and wherever the reformer chooses: "Take care you are not producing another evil when you are relieving a mischief: it is as though you have a great plate of metal with a bulge in it, and you come down with a blow from the hammer of State intervention: the bulge disappears, but it has reappeared at the other end end of the plate."

8. These general considerations have been put forward not with a view to disproving the case for the reforms suggested by the deputation of 1912, but in order to demonstrate that some of the arguments upon which it rests are unsound, and that it is essential to approach the proposals with caution, and with due regard to the great though unorganized mass of Indian opinion, which is naturally hostile to State regulation, and all the personal restrictions which State regulation implies.

9. Turning now to the specific points raised by the Government of India, I am to say that the Lieutenant-Governor agrees generally with the conclusions formed by Mr. Fenton, namely, that—

- (1) there would be no practical advantage at present in any enlargement of the powers and functions of advisory committees. Irresponsible bodies of this kind invested with licensing powers will probably, if composed of temperance reformers, allow zeal to outrun discretion. If they are not so composed, results the very reverse of what is contemplated may ensue. It is a well-known fact that in many counties in Ireland the grant of the licensing power to the local (unpaid) Justices led in recent years to an appalling increase in the number of licensed premises, especially in rural tracts, with most demoralizing consequences. Owing, His Honour believes, to the representations of the Excise and Police authorities, the power was subsequently withdrawn from the Justices and vested in the stipendiary Resident Magistrates, who are also responsible for the maintenance of law and order in much the same way as the District Magistrates in India;
- (2) there is no further room, in view of the figures given in paragraph 3 of this letter, for any extensive reduction in the number of shops;
- (3) as a tentative measure the hour of closing of rural shops will be altered from 9 p.m. to 8 p.m. in the summer. His Honour is also prepared to advance it from 7 p.m. to 6 p.m. in the winter;
- (4) the question of the location of shops already receives and will continue to receive careful attention; and
- (5) the auction system, though imperfect in some respects, as pointed out in paragraph 18 of the Government of India despatch No. 294, dated the 8th October, 1908, seems to be the best that can be devised, and is at all events the most suitable for present conditions in the Punjab, where the fixed fee system has been tried and found to lead to a great increase in recorded consumption.

10. In conclusion the Lieutenant-Governor desires to refer to the unjustifiable insinuations against the administration, which have been so warmly dealt with by Mr. Fenton. His Honour would assert that there is not a shadow of truth in the suggestion that our officers have any inducement to foster the growth of excise revenue except by checking illicit consumption. The Punjab, by abolishing its Excise Commissioner, has deliberately adopted the policy of associating excise as closely as possible with the general administration. The Deputy Commissioner, who is the pivot of that administration, is thus able to view the drink question in its proper perspective. Its ill-effects are a matter of far greater concern to him than the revenue derived from it. He knows that drunkenness in this province

22

frequently leads to violent crime, and that this artificial stimulus is commonly resorted to by murderers and robbers to give them the necessary courage for acts of violence. While, as Collector of the district, he controls the issue of licences, his most important duty is the maintenance, as District Magistrate, of law and order, and he is therefore the last person to encourage habits which tend to increase crime. His Honour hopes that the Government of India will associate themselves with this Government in condemning these charges as cruel and unjust to the class of officers who form the backbone of our rule in India.

Annexure I.

Letter from H. A. Smith, Esquire, Senior Secretary to the Financial Commissioner, Punjab, to the Financial Secretary to Government, Punjab, No. 296 S., dated Simla, 2nd August, 1913.

I am directed to submit the following remarks of the Financial Commissioner in compliance with your endorsement No. 306 C. & L., dated 4th March, 1913, with which was enclosed a printed copy of the correspondence on the subject of the two deputations which waited on the Secretary of State in 1907 and 1912 with reference to Excise administration in India.

2. In forwarding the papers to Local Governments the Government of India observe that while the general facts are known to them as to the progress which has been made in giving effect to the recommendations of the Excise Committee of 1905-06, as approved by the Government of India, in the matter of the extension of distillery areas, the enhancement of the duties on intoxicants, the reduction and redistribution of excise shops and the evolution of a system of local advisory committees, there are special aspects of the drink question in each province, and it is on these especially, the Government of India intimate, that an expression of opinion is desired. A request is made for statistics in a form indicated, and attention is called particularly to certain points raised by the Deputation of 1912 which the Government of India desire to be considered. In forwarding the Government of India letter and its enclosures the Punjab Government ask for an express opinion of the Financial Commissioner's opinion on the recommendations of the Deputation of 1912, so far as they concern the Punjab, as well as on the points specially mentioned in the Government of India letter.

3. One of the recommendations of the Deputation of 1912 is that "the Hindu at the root of the increase in consumption" of liquor should be investigated as or out-demand is made that the inquiry should be an independent one.—drink habit because, as Reverend Herbert Anderson remarked, the drink habit "is foisted upon the present administrative methods"; Government and its officers are interested in the revenue; and, as Mr. Gokhale remarks, "that constitutes a serious difficulty in dealing with this question." Mr. Gokhale goes further and pronounces the British Government as disqualified from being an impartial judge, and the reason which he gives for this audacious statement is that "in pre-British times the State did not regulate the traffic." The Secretary of State in his reply to the Deputation dealt with the imputations and insinuations that with the officers of Government the desire to increase the revenue was a paramount motive, but he might also have pointed out that since the publication of Mr. Mitra's book "Indian Problems," to which reference is made in paragraph 6 of the Government of India despatch, No. 294, dated 8th October, 1908, a publicist like Mr. Gokhale had no excuse or justification for putting forward the insinuation, so often advanced by those who for political reasons desire to discredit British administration in India, that drink and its regulation by the State are the creation of the British power. Mr. Mitra's chapter on "Drink" gave a quietus to that libel.

4. As a matter of fact no inquiry into the main causes of the increase in the consumption of liquor is necessary. The causes lie on the surface. No inquiry on this point was made by the Financial Commissioner when circulating the present papers, but the following explanation has been volunteered by Diwan Tek Chand, I.C.S., Deputy Commissioner of Gujranwala, an officer who has also had some years' experience as a high official in the Baroda State:—

"The habit of liquor drinking is no doubt on the increase in the Punjab, but this is due more to the following causes rather than to the facilities which

in the interests of commerce and freedom we have provided for the disposal of spirituous commodities :—

- “ (a) Relaxation of old religious restrictions due to the spread of purely secular education.
- “ (b) Imitation by the people of Western modes of living.
- “ Curiously enough the majority of Indians think that the superiority of British physique and its splendid powers of endurance are due to the use of meat and liquor, and hence the increase in the demand for these articles in the India of to-day.
- “ (c) Effect of foreign travel. Indians who go abroad give up other forms of intoxicating drugs (*e.g.*, taking opium or *bhang*) and contract the habit of drinking wines and spirits, especially when they go to France and Germany.
- “ (d) Increasing prosperity of the people, especially in canal, irrigated areas.

“ People have now more to spend on luxuries, and drinking is no doubt a ‘luxury.’ It is considered fashionable now among the well-to-do Jats to offer liquor to visitors instead of ‘milk’ and ‘lassi.’ ”

The returns of customs duty on liquors confirm Diwan Tek Chand’s diagnosis. Since 1903-04 they have gone up more than 50 per cent. It is notorious that the European in India is becoming not only more and more abstemious, but financially less and less able to afford expenditure on luxuries, so that it is not he but the Indian who has contributed these enhanced customs receipts. It is impossible to control the channels which the surplus profits of a nation growing in prosperity will seek in the pursuit of luxury. Whether the indulgence takes the form of brandy and champagne or motor cars, of gramophones and cigarettes, or the writings of Burke, Mill, Spencer, and Mazzini, the causes are the same—the enlargement of the horizons, geographical, political, social and economic of a very large population increasing in wealth and prosperity. It is true that the social stratum which contributes to the increase in the customs revenue under the head *liquors* does not as a rule furnish clients to the country liquor retailer, but the force of example is everywhere at work, and the increase in prosperity of the proletariat in the Punjab is perhaps

marked than among the classes more directly subject to Western influence. The rise in wages in this province has been phenomenal, and though prices have risen the rise of the latter has been much less by comparison and has not curtailed the spending power of the wage-earning classes. In a province where a proportion of the enhanced profits of agriculture, which accompany the land boom, go to those who till the soil, and not, as elsewhere, to

(2) living landlords, it is only natural to find an increased demand for luxuries in the rural communities, especially in the canal tracts. There are other causes abt for the increase in the consumption of liquor which, though a feature of

returns of the decade as a whole, has during the past year received a check. It is impossible not to credit the preventive establishment with something in the way of results in the matter of detecting and suppressing the illicit still and the smuggler. But the general proposition seems incontestable that more money is spent on liquor because, after provision for necessities, there is more money than formerly left over for expenditure on luxuries.

5. If the foregoing be accepted as a correct diagnosis of the situation, there will perhaps be some appreciation of the difficulty of the task of the administrative officers of Government, who are called upon to devise methods for stemming the tide of this wave of indulgence, methods which will deal with the “evil” of drink while making provision for the legitimate requirements of the moderate drinker. To combat the “evil” of drink, that is to say drunkenness and crime, is the chief daily concern of the Collector in his capacity of District Magistrate, and it is not unnatural that an officer like Colonel Powney Thompson, Deputy Commissioner of Kangra, whose letter (No. 390, dated 21st June, 1913), is enclosed, should resent on behalf of himself and his brother officers such imputations as are made by members of the temperance party like the Revd. Herbert Anderson. The prohibition of the sale of drinks at fairs and on roads leading to fairs in the Kangra district which is mentioned by Colonel Thompson is only one illustration of the policy which has everywhere, more especially under the inspiration of our late Lieutenant-Governor, been pursued with a view to diminish the *real* “drink evil,” not the *statistical* drink evil, which consists in nothing more than enhanced Excise revenue figures, but the

real evil of drunkenness and crime wherever it is found to exist. Within the last 12 months orders have, at the instance of district officers, been issued for the discontinuance of liquor licences at important fairs in the Rawalpindi, Attock, Sialkot and Amritsar districts, and in one case recently two ordinary town shop retail licences have been cancelled and re-issued at a loss of over Rs. 6,000 in licence fees, because it was considered desirable to enforce the closure of the shops during the days of the periodical fair in the town (Tarn Taran). These illustrations of the trend of Provincial Excise policy are suggested by the mention of fair licences in the Deputy Commissioner of Kangra's letter, but they do not stand alone as a record of the policy of stringency. The outstill in the Punjab has now finally disappeared. Wastage allowances which put a premium on the removal of large quantities of spirit from the distilleries at one time, and thus wore the appearance of official stimulation of the wholesale trade, have been abolished with effect from the current year, and there has been no set-back in the policy of gradually reducing the number of shops.

6. But no such illustrations, no reports, discussions or explanations have in the past weighed with those who are ready to believe that revenue is the paramount consideration with administrative officers and that by their methods the drink habit is fostered. In giving prominence to Colonel Powney Thompson's protest against this sort of misjudgment the Financial Commissioner ventures to hope that some conviction may thereby be produced as to the *bonâ fides* of the administration; and that there may be a more ready acceptance of the proposition that the conclusions of those who are most in touch with, and best acquainted with, the actualities of the position, who are responsible for meeting and dealing with all the difficulties of the varying situations which arise, and who have most to gain by successfully combating the real drink evil, are entitled to be regarded with consideration and credence rather than in a spirit of suspicion and disbelief.

7. As desired by the Government of India, the statistics of consumption, &c., have been entered in the prescribed forms and are submitted herewith. It will be learnt from them that in the Punjab the consumption of country spirits per 100 of the population is relatively small and is not rising appreciably. In fact the figure for 1912-13 is below that of the year 1905-06. The incidence of the revenue per gallon has been steadily rising, and presumably there has been a corresponding increase in prices. The number of shops was 795 in 1912-13 as against 1,237 in 1905-06, there being now only 3·9 shops per 100,000 of the population and only one shop for every 125 square miles.

8. Coming now to the points noted in paragraph 3 of the Government of India letter No. 477—490-218, dated 24th January, 1913, I am to say that the Financial Commissioner regrets that he is unable to report that the few advisory committees which have been appointed have proved of any great utility. The Commissioner of Rawalpindi reports that the committee at that place consists of the Collector, the Superintendent of Police, the Vice-Chairman of the Municipality and one non-official member. It met once and proposed the closure of one shop. The Commissioner did not agree. The committee did not meet again. The Deputy Commissioner of Lahore says "Advisory committees as at present constituted are of little use. I need only instance the fact that the closure of a shop in Lahore in accordance with the recommendations of the advisory committee has caused general inconvenience, the site selected in its place having been objected to by the neighbouring residents, while the existence of the committee does not in any way form a break-water to the numerous requests for new shops and the numerous objections to existing ones." The Deputy Commissioner of Ludhiana pertinently asks what scope there is for an advisory committee in the town of Ludhiana with its population of 45,000 and only two shops or in Jagraon (population 15,000) with its one shop. The Deputy Commissioner of Gujranwala, Diwan Tek Chand, sounds a note of caution against any delegation of powers other than advisory to excise committees. He says :—

"The powers of this committee should be more advisory than executive. They should advise the Collector in the reduction or redistribution of shops, in the enhancement of licence fees, or in the removal of a bad licence-holder. But they should not on any account be given executive power to grant licences or to close shops on their own authority. Even our advanced municipalities have not yet learnt to exercise their powers of patronage with care and

"I cannot say that the local advisory committees are even of much assistance, but on the other hand I do not know of any instance in which they have been a hindrance to the Excise Administration. I do not, however, see how the powers and functions of the committee can be enlarged."

On the whole the Financial Commissioner has failed to obtain any useful suggestions in the matter of advisory committees from the replies of the officers who have been consulted. Mr. Fenton is disposed to hold that in the circumstances of the province the proper method of ascertaining local opinion in excise matters is that adopted by the Deputy Commissioner of Kangra, as described in paragraphs 3 and 5 of his enclosed letter. As between relying on the advice of an artificially created body acting as a "break-water," as Mr. Tollinton puts it, between the Collector and the numerous persons interested in such questions as arise, and the policy of personal investigation of such matters coupled with consultation with a much wider circle of advisors, Mr. Fenton would prefer the latter. After all the District Boards and the Municipal Committees are the most "representative" bodies which can be got together. There is a much too common inclination on the part of Indian politicians to ignore their existence and propose the creation of additional bodies, advisory or otherwise, in the vague hope that they will act as a drag on the Collector. The local temperance association would be the ideal excise advisory committee from the point of view of these publicists. It is true that District Board and Municipal Committees for the most part contain members who know little and care less about Excise Administration, but they are nevertheless generally capable of giving intelligent opinions on specific questions referred to them, and where local knowledge is relevant their advice may often be most useful. If in any particular localities there are temperance movements which are really influential, their representatives ought to be able to secure election to the Boards and Committees, where they can promote their policy. Accordingly if any new departure in the direction of what is called local option is desired by Government, the Financial Commissioner thinks that it should be of the nature of that suggested in paragraph 5 of Colonel Powney Thompson's letter, *i.e.*, the systematised invitation of opinions from local bodies and the record and report of the results of such references. Otherwise the Financial Commissioner would leave matters as they are.

9. The Government of India ask what further reductions of shops will now be possible. The Financial Commissioner, with the permission of the late Lieutenant-Governor, decided to abstain from calling upon district officers to submit a programme of closures. The statistics of what has been done and is being done in the matter of reducing retail vend shops ought to afford a sufficient guarantee that it is the intention of the Excise Department to co-operate in this reform. The local conditions which render it possible from time to time to abolish shops are many and various, and cannot be expected to come under the cognizance of the responsible authorities just at the time that an order has issued that the question is to be considered. Nor is it possible to formulate from above any cut-and-dried rule to govern the decision of the question of retention or abolition of each and every shop. With this explanation I am to pass on to the next point raised in paragraph 3 of the Government of India letter.

10. The existing rules on the subject of the hours of opening and closing of liquor shops are the following:—

- (1) Without a special licence no shop shall remain open for the sale of liquor and no liquor shall be sold at any shop between 7 p.m. in winter and 9 p.m. in summer, and sunrise.
- (2) If the Collector is satisfied that there is a demand for liquor which it is reasonable to meet outside the ordinary hours for business fixed in the preceding clause, he may, with the sanction of the Commissioner, grant a special licence in Form No. XXI appended to these rules for the sale of liquor at any shop during such hours as may be specified in such special licence.

Many of the officers who have been consulted are opposed to any change. There is a concurrence of testimony to the effect that there is very little custom at the shops during the working hours of the day, purchases being made generally in the morning or evening, so that any small curtailment of the few hours during which

clients resort to the premises would undoubtedly tend to cause a considerable reduction in consumption. What the Financial Commissioner is prepared to recommend, though not without some misgivings as to possible inconvenience to the general body of moderate drinkers, is that in the case of shops in rural areas the hour of closure be altered from 9 p.m. to 8 p.m. in summer. This alteration would have effect from 1st April, 1914.

11. Perhaps the most controversial question raised by the deputation is the proposed abolition of the auction system. The Government of India in paragraph 17 of their despatch No. 294, dated 8th October, 1908, have dealt so fully and convincingly with the general aspects of this question that the Financial Commissioner feels confident that at any rate, so far as this province is concerned, little in the way of defence and justification of the present arrangements for disposing of licences by auction will be required by the Government of India, who are already in possession of the facts connected with the failure of the experiment of fixed fees—the alternative system—when tried during the five years 1906-10. In the paragraph cited the Government of India remark :—

“ Again, our recent experience in the Punjab does not support the view that the auction system must necessarily stimulate consumption. The experimental abolition of that system and the issue in the rural areas of four selected Sikh districts of licences for the retail vend of country spirit on low fixed fees led immediately to a large increase of consumption; while the sale by auction of the licences of all foreign spirit shops dealing principally with Indian customers has been found in that province to be a powerful check on the consumption of these spirits.”

It is only necessary to add that on account of the alarming increase in the consumption of spirits in the four districts in which the fixed fee shops were licensed, an increase due, it is believed, to the cheap price at which under that system the licensees found themselves able to retail drink, the experiment had to be abandoned with effect from 1st April, 1910. It is true that the Excise Commissioner of the day was of opinion that much of the increase represented consumption which otherwise would have been supplied from the illicit still. But however that may be Government could not afford to be exposed to the reproach that by a change in the licensing system it had reduced taxation and cheapened drink to such a degree that consumption was in consequence being vigorously stimulated.

12. In the Financial Commissioner's opinion the fallacy of those who apprehend that high fees paid at auctions for the monopoly of vend will stimulate consumption consists in the assumption that the demand for alcohol is an artificial one which has to be promoted by the action of the purveyor of spirits, and which would not develop in the absence of stimulus from such a source. Government and local bodies dispose of other monopolies by auction. Tolls on roads and at ferries, for instance, are auctioned. It is never asserted in such cases that it is in the power of the auction lessees to stimulate traffic and enhance their receipts by resorting to devices for promoting it. The auction bids in such cases represent what shrewd contractors with knowledge and experience estimate the tolls will yield and leave a fair profit. No less shrewd and experienced are the persons in the liquor trade who bid for excise contracts, and there is no warrant whatever for the theory that such persons, disregarding common prudence, base their estimate of receipts, not on the ordinary unstimulated custom and consumption of the shop, but on a volume of sales which can only be reached by extraordinary methods of forcing and advertising. In all other trades the usual method of stimulating consumption is reducing price. When, for instance, a Railway Company sees an opening in this direction it issues cheap week-end and excursion tickets. An auction licensee could not afford to resort to such an expedient without running serious risk of a balance on the wrong side at the end of the year, should the estimate of additional sales fail to counterbalance the reduction of profit on each transaction. On the other hand, the licensee on a fixed fee, which in the nature of the case is much lower than an auction fee, is not apprehensive as to the amount of such fee not being forthcoming from his sales, and he can therefore with much greater assurance embark on the speculation of lowering prices in order to stimulate consumption.

13. Further considerations affecting this question are noticed in paragraph 17 of the recently submitted Excise Report for 1912-13. For facility of reference the passage referred to is reproduced here :—

“ The incidence figures in the fourth column above indicate a progressive enhancement in the cost of country spirit to the consumer, and this of course

is a tendency conformable to the general principles of Excise policy. To the largeness of the fluctuating element in the incidence figure the objection is sometimes brought that the licensee who pays a high auction price for his vend licence is compelled to push sales and stimulate consumption in order to recoup himself. But the licensee who pays a small price for his licence is affected by a no less powerful stimulus—that of making a profit. In either case profits vary directly with the quantities sold. So long as the profits of some shops greatly exceed the profits of others there will be competition for the former. Experience has demonstrated the impossibility of Government officers gauging the market value of such monopolies. Monopolies will always possess some market value whatever the still-head duty may be, and for determining that value no better method than the auction system can be devised. The only logical alternative—the fixed fee system—has had to be abandoned whenever it has been tried. The auction system also possesses the advantage of enabling the Excise Officer to determine when a shop may be closed in any locality. When there are no bids for the licence it may be fairly concluded that it is not required."

A word of explanation is necessary in conclusion. In advocating the retention of the auction system for the disposal of country liquor licences Mr. Fenton does not wish to be regarded as expressing any opinion on the question of licence fees *versus* still-head duty. It is auction licence fees *versus* fixed licence fees that he has been discussing. Theoretically it is desirable that as large a proportion as possible of the taxation on liquor should take the form of still-head duty. Only practical difficulties of the nature of illicit distillation, smuggling, and the rates in other provinces prevent the wider adoption of that which is theoretically desirable. But this is a matter which is being separately considered, and it hardly arises out of the present correspondence.

14. Lastly, with reference to the question of the selection of shop sites, which is referred to in paragraph 4 of the Government of India letter, I am to convey the assurance that the principles already laid down by the Government of India to guide discretion and action in such cases are now thoroughly well known to, and, the Financial Commissioner believes, sedulously observed by, district officers and their advisory committees. The existing situation being that new shops are rarely established, and the question of selection and location not arising so definitely in connection with the policy of abolishing existing shops, it is not surprising that little is heard of this matter in the Punjab. The traditional policy in a province where the shop question in connection with the sale of beef and *jhatka* meat can, if precautions are not taken, become very troublesome and even dangerous, is *quieta non movere*; and conservatism in such matters is a policy which commends itself to all but the mischief-makers and notoriety-hunters.

Annexure No. 2.

Letter from Lieutenant-Colonel C. Powney Thompson, Deputy Commissioner, Kangra, to the Commissioner, Jullundur Division. No. 390, dated 21st June, 1913.

I have the honour to acknowledge receipt of a copy of letter No. 3203, dated the 2nd May, 1913, from the Senior Secretary to the Financial Commissioners, Punjab, to your address received with your circular endorsement No. 198—3389, dated the 26th May, 1913, in which you ask me to express an opinion on the constitution of advisory committees in the municipalities in this district.

I have read with much interest the correspondence attached to the Financial Commissioner, Punjab's, letter above mentioned. I hope I may be excused if this letter deals with questions not actually in the reference.

2. To begin with I claim for my class—the district officers who have spent and are spending the best years of their lives in daily touch with the peoples of all classes in the province—an intimate knowledge of the subject of the present controversy. As you are aware, in this province the Deputy Commissioner is the Excise authority for the whole of his district, and exercises very wide discretionary powers in the matter of licensing, etc., subject only to the control of the Commissioner and the Financial Commissioner. The Deputy Commissioner in this province is also District Magistrate and, as such, has to deal with all sorts of crime. For some years past it has been realised that the increasing "drink evil" is one of the most potential causes of the increase in violent crime, and the matter has been discussed in the annual Criminal Administration Reports. My object in making

the above remarks is to demonstrate that in the Punjab the Excise Administration is in the hands of officials whose most absorbing and important duty is the maintenance of law and order in the country, and who therefore are most unlikely to allow the "drink evil" to be "fostered by present administrative methods," merely to obtain an increase in Excise revenue, as insinuated by the Reverend Herbert Anderson on 18th July, 1912.

3. I venture to assert that the Deputy Commissioners freely discuss excise matters with the people of their districts. It was from conversations with people in various parts of this district that I learnt that the sale of drink at fairs and on the roads leading to fairs was the cause of much intoxication and of the spreading of the evil habit. I consulted the leading men of the district, and finally took the opinion of the members of the District Board on the subject. All were unanimously in favour of prohibiting such sales, and, as you know—*vide* the correspondence ending with your office letter No. 6159, dated the 22nd November last—all licences for the current year have been sold subject to prohibition of all drink booths at fairs and on roads leading to fairs.

4. To my mind the most curious part of the above-mentioned incident is that the licences sold this year (subject to the above-mentioned prohibition) for a considerably larger sum than they did last year. This to me is inexplicable, as I am personally aware that very large quantities of liquor were disposed of at fairs. I can only surmise that owing to the operation of the Land Alienation Act and the general prosperity of the country money held by the classes interested in this trade is "cheap," and that therefore the members of these classes are now willing to invest it in enterprises which are likely to return only small profits.

It is also possible that the recently increased Excise establishment and the grant of liberal rewards to informers have tended to decrease illicit production, and thereby have increased the sales and profits of licensees. I cannot believe that the increase in Excise revenue is mainly due to an increase in the drink habit.

5. As regards the constitution of advisory committees, I welcome any means which will obtain for us the assistance and advice of those unofficial gentlemen—both European and Indian—who are interested in temperance. Personally I much doubt if administrative action will be able to check the evil. To my mind we must look to education for any real improvement. As education spreads, public opinion will crystallize, and it is only "public opinion," guided and fostered by temperance reformers, which will help us to attain the desired result. I would not confine the constitution of advisory committees to municipalities only. In this province we have already in every district a local body representing the whole district, viz., the District Board, of which the Deputy Commissioner is *ex-officio* Chairman. Large and small towns are municipalities and notified areas, respectively. I suggest that Government by an executive order in the Excise Department should instruct the Deputy Commissioners to obtain in November or December every year from these local bodies their view and any suggestions they have to make regarding the Excise Administration of the areas they represent, and that all such suggestions should be noted and commented on in the annual report submitted by the Deputy Commissioners in the following April. The result of this will be that the elected representatives of the people will have opportunity to make known their views on the subject to the officers entrusted with the Excise Administration and their views will come to the knowledge of the head of the province (His Honour the Lieutenant-Governor of the Punjab) who reviews the administration report. The local bodies above mentioned might be instructed to consult, when possible, individuals and associations (religious or social) likely to be specially interested in the subject before forwarding their annual note to the Deputy Commissioner.

6. It will not always be possible to carry out suggestions made, as whatever our own convictions on the subject may be, we shall have to maintain the balance between the views of the temperance party on one side and the legitimate demands of the liquor-drinking public on the other side. The questions on which public opinion will help the executive will be chiefly regarding—

- (1) The methods of licensing and taxation.
- (2) The number of shops actually required.
- (3) The location of shops.
- (4) The decision between "on" and "off" licences.
- (5) Hours of closing.

Enclosure No. 9.

No. 572, dated the 30th September 1913.

From—The HONOURABLE MR. A. W. PIM, I.C.S., Secretary to Government, United Provinces, Separate Revenue (Excise) Department,
To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to reply to Mr. Enthoven's letter No. 477-490-218, dated the 24th January 1913, with enclosures, relating to certain criticisms made on the Excise Administration in India. It has not been possible within the limits of time imposed to obtain as complete a statement of local opinion as would have been desirable; and the inevitable delay in the consultation of local authorities left Sir James Meston so little time within which to examine the views which have been elicited, while other urgent claims upon him were so many, that to his regret he had to content himself with a somewhat general expression of opinion on the subject.

2. Sir James Meston considers that the Government of India's Despatch, dated the 8th October 1908, gave a fair and reasonable statement of the Government's attitude towards Excise. He recognises that reform must advance, that the consumption of liquor is growing amongst classes in which its use was previously very limited and discredited, and that we cannot stand still and allow the evil to progress indefinitely. But our contention is that we have not stood still, and that every step we take is in the direction of making liquor dearer, less noxious and less of a temptation. The suggestion that the sale of liquor is pushed by Government for revenue purposes is, in the United Provinces, at least, wholly untrue. The fact must be emphasised that as stated by the Board of Revenue neither district officers, excise officers, nor even the Excise Commissioner himself have any interest personal or official in the growth of excise revenue or the consumption of liquor. The authority, which judges the capacities of such officers, regulates their promotion and controls their careers neither blames them for a decrease in the excise revenue of their charges, nor gives them credit for an increase. In point of fact, the authority in question is not even aware, when dealing with the case of any individual officer, whether the excise revenue of his particular charge has increased or decreased. It may be easy to seize upon occasional unguarded expressions of individual officers, when they are reviewing the results entirely from a revenue aspect. If they indicate gratification at the growth of the receipts, it is a purely technical and statistical gratification, which ought not in justice to be construed as satisfaction with the growth of consumption, or as indicating any effort to stimulate such growth. On the contrary, the whole policy of Government, avowed and accepted by our officers, is to keep consumption down and to secure the highest possible revenue out of the persons whose liberty of action we cannot further circumscribe in this respect.

3. That the use of stimulants does and will increase, seems inevitable in the present circumstances of India. The pace of advance, mental and economic, is now infinitely faster than India has been accustomed to. Its field of interests is being enormously expanded; and its response to all form of excitement, healthy or otherwise, is becoming quicker. It is in fact living more on its nerves than it has ever done. The result, as in all nations passing through a similar experience for the first time is a greater recourse to stimulants. This is facilitated by the unquestionably greater wealth of the country and the rise in the standard of comfort. It is a serious mistake to think that the growth of the liquor habit is restricted to the lower classes or agriculturists: it is no respecter of classes or creeds. So long as India remains in its present state of transition, Sir James Meston sees no hope of really checking the use, and the growing use of stimulants by drastic preventive action. Education and example will do much; and there is still great force in the general reprobation of intoxicants among the Indian public. But repression cannot be employed, as our experience shows, except in the most cautious and tentative manner, lest it lead to a steady degradation in the class of stimulants to which the people resort, and in the manner of their employment.

4. Subject to these general remarks I am directed to add the following observations on the questions to which the special attention of the Local Government has been directed by the Government of India in the letter under reply, and with reference to the main contentions put forward by the members of the Deputation which waited on the Secretary of State. I am also to forward the letters of the Board of Revenue and of the Excise Commissioners together with the statistics required to be furnished and the opinions of certain district officers who have most adequately represented the attitude of the local authorities. A copy of the resolution and report of the Benares Municipal Board on the functions or power of Excise Advisory Committees is also enclosed.

5. The points on which the Local Government have been specially required to report are the following :—

- (a) the powers and scope of advisory committees, and the modification of their constitution,
- (b) the further curtailment of the number of shops and of the hours of sale due regard being had to the danger of reducing shops to such an extent as to give practical monopolies to the shop-keepers,
- (c) any observations which the Local Government may have to offer with reference to the working of the auction system for the disposal of licenses.

The attention of the Local Government is also called to the advisability of again issuing instructions to Excise Officers implementing upon them the necessity of selecting shop sites as far as possible in accordance with the principles already laid down by the Government of India. I am to call attention to the remarks made by the Commissioner of Excise on this subject and to state that while instructions will again be issued in the form desired, the Local Government are satisfied that the principles referred to by the Government of India have been carried out in the practice of recent years and that further instructions are, therefore, in reality not required.

6. The consultation of local opinion with reference to the status and functions of advisory committees has yielded results of little value. Three of the less important municipal boards have passed resolutions in favour of local option, but the Municipal Board of Lucknow object to being burdened with licensing matters, and the other important municipal boards with the exception of Benares appear to have given the subject no attention and to be disinclined towards any practical action in the matter. The Municipal Board of Benares have alone recorded a reasoned opinion, a copy of which is forwarded for information. The character of the work done by advisory committees hitherto, and the great difficulty which has been found in securing the attendance of members—although their proposals have almost invariably been accepted—is not encouraging to a wide extension of their powers. In agreement with the Board of Revenue, Sir James Meston would, however, recommend the constitution of advisory committees in all municipalities. Such committees consist at present of the Collector, the Chairman of the municipality—or where the Collector is the Chairman, of a vice-chairman,—the Superintendent of Police and three members of the municipal board elected by the Board. Their constitution appears to be sufficiently representative, and Sir James Meston does not recommend any changes in it except possibly as suggested by the Municipal Board of Benares by allowing the Board to elect persons other than members of the Board to one or two out of the three places on the committee which have to be filled by them. An increase in the total number of members of the committee is not desirable.

The existing practice, as regards these committees, is that they are consulted annually as to the location of shops and also meet for the purpose of hearing any representations made in connection with Excise by the inhabitants of the town and for the purpose of making representations as to the maximum and minimum number of shops required by the town. The recommendations of the committee

are forwarded by the Collector to the Excise Commissioner, who, after recording his opinion thereon, submits them for the orders of the Board of Revenue. Further than this it is not advisable to go.

For rural tracts district advisory committees are not required as district boards are under the existing rules informed of the proposed location of all new shops and additional advisory committees would add no more intimate knowledge of local conditions or of the conditions of the lower classes chiefly concerned. Licensing committees would be open to the danger of leading to class tyranny but from the experience of municipal committees it is probable that the general tendency would be towards undue susceptibility to personal influences and pressure of all kinds of which an extreme instance is given by the Board of Revenue in the case of an increase in the number of liquor shops sanctioned by a municipal committee with the avowed object of stimulating competition and so making drink cheaper for the poorer people.

7. The total number of shops in this province for the years from 1905 onwards is given in Statement C. It shows that there has been a steady reduction though mainly in the out-still area. The average area and population per shop would now for example give a total number of only 7 public houses to the Isle of Wight, and no further large reduction is possible. Small reductions in special areas are still feasible and arrangements will be made for effecting them. Orders have already been issued for the reduction of the number of special licenses issued for fairs.

In addition to the danger of instituting monopolies by an undue reduction in the number of licenses illicit distillation is, as pointed out by the Excise Commissioner, a by no means negligible factor. The materials are available in every part of the provinces, the necessary plant can be constructed without difficulty from a bamboo and a couple of earthen pots. Public opinion gives little support to preventive action; it is in fact in many districts actively hostile and great difficulty is experienced in establishing such cases.

In urban areas conditions approach more closely to those of Europe which are postulated in many of the arguments put forward by members of the Deputation but the evidence before the Government shows that there is regular consideration of the number and location of city shops and consultation of the licensing committees whose recommendations are almost invariably accepted.

8. Several suggestions have been put forward for the earlier closing or later opening of shops and a considerable body of Indian opinion appears to support the latter course a likely to produce better results in checking habitual drinking. Local officers agree, however, that it would be impossible to enforce any such measure in rural areas, and even in the cities it could not be effectually carried out: Sir James Meston is, therefore, not of opinion that much advantage can be looked for from any changes in this direction.

9. With reference to the question of the working of the auction system in these provinces, I am to call attention to paragraphs 14-16 of the letter of the Excise Commissioner giving his views on this subject. The general arguments for and against this system have been fully set out in the report of the Excise Commission and the Lieutenant-Governor considers that the experience of the working of the system in recent years is strongly in favour of the views expressed by the Government of India in their Despatch No. 294 of 1908 to the Secretary of State. The arguments put forward by the Deputation on this subject are chiefly based on the assertion that increase of duty decreases consumption while the increase of license fees must increase consumption as the licensee can only recoup himself by increasing sales and not by raising his prices. An increase in license fees has no influence on the price of liquor unless all prices are raised in the same proportion. This argument is based on a misapprehension of the local conditions as it assumes a state of competition between shops, which as regards rural areas has practically no existence, being replaced by a partial monopoly over a definite area in accordance with the principle laid down by the Government of India, that if in any area a large body of people find it equally easy to get liquor from two shops, there is a *prima facie* case for thinking that the number of shops

detrimental trade in cocaine if too severely restrictive measures are adopted with reference to the trade in liquor.

No. 2772-N.-V.-E.-534-B., dated the 8th September 1913.

From—R. W. D. WILLOUGHBY, Esq., I.C.S., Officiating Secretary to the Board of Revenue, United Provinces,

To—The Secretary to Government, United Provinces.

In accordance with the orders conveyed in the correspondence ending with G. O. No. 500-XIII-21, dated the 19th August 1913, I am directed to forward for the information of the Government a letter No. 734-C-II-451, dated the 2nd September 1913, from the Excise Commissioner, together with the statistics required, being his review of the reports called for in connection with certain criticisms on the excise administration of India made by the Deputation which waited upon the Right Honourable the Secretary of State for India in August 1907 and July 1912. Attached to the Excise Commissioner's review are such divisional reports as had reached him by the date fixed for the submission of his review, together with such reports as have subsequently been received. These reports are, owing to the impossibility of arranging, in the time available, for their being copied, forwarded in original.

2. With regard to the views expressed by Mr. Wild in paragraph 2 of his letter, the Senior Member would suggest that in view of the suggestions pervading the representations made by the Deputation (of which no definite repudiation is to be found in the Secretary of State's speech) it may be desirable to emphasise the fact that neither district officer, excise officer or even the Excise Commissioner himself have any interest, personal or official, in the growth of excise revenue or the consumption of liquor. The authority which judges the capacities of such officers, regulates their promotion and controls their careers neither blames them for a decrease in the excise revenue of their charges, nor gives them credit for an increase. In point of fact, the authority in question is not even aware, when dealing with the case of any individual officer, whether the excise revenue of his particular charge has increased or decreased.

3. On the general question of the growth in the consumption of liquor as apart from the growth of the excise revenue two important considerations should be brought into relief. The first is that the figures do not take into account the very large decrease in real consumption which has resulted from the conversion of out-still tracts to the distillery system. In effecting that conversion the Government has sacrificed a large revenue. The negligible value assigned to the loss of revenue as a factor in the decision of Government to prosecute that policy shows how little the Government is in fact affected in its excise policy by considerations of loss of revenue. The second is that the last five years have seen a steady progression from seasons of famine and severe depression to the best and largest harvest within the memory of this province. Had this progression not been accompanied by an equivalent expansion in consumption it would be matter for surprise: it is in fact astonishing that the increase has not been greater. No intelligent critic would attribute credit to the administration for the contraction of consumption which followed in the wake of famine. It is equally irrational to impute blame to the administration for the expansion which has followed the years of growing prosperity. Careful analysis of the consumption figures leads to the conviction that they reflect the seasonal variations of prosperity among the drinking classes and that no interference as to the growth or diminution of the taste for alcohol can be safely based upon them. In considering the effect of these figures it must be remembered that the recent rise in the standard wage of the labouring class has far out-stripped the general upward trend of prices, as is sufficiently established by an examination of the statistics referred to by the Excise Commissioner and the views expressed by Mr. Moreland in his note on the subject.

It is further probable that the extent to which illicit distillation has in the past been practised has not been fully realised.

4. The impressions left on the Senior Member's mind by his recent enquiries in various parts of the province corroborate Mr. Wild's experience as set out in paragraph 3 of his letter. Mr. Tweedy found very little knowledge of, or interest in, excise matters. On one point only did he elicit a definite and unanimous expression of opinion—that for many years, and in particular, during the last ten years, drinking has been on the increase among the higher castes.

5. With regard to paragraph 4 of the Excise Commissioner's review the Senior Member considers it superfluous to lay stress on the importance of the figures here referred to. In eight years $6\frac{1}{4}$ millions of people inhabiting out-still tracts have been brought under the distillery system, at the cost of a considerable sacrifice of revenue and with the result of an immense and unrecorded reduction in consumption. It is also worthy of emphasis that more than half the increase in revenue under the distillery system is due to causes wholly distinct from consumption—the inclusion of out-still areas and progressive enhancements of duty. The Board doubt if it is adequately realised with what constant care consumption is watched (particularly in large towns) and the invariable enhancement of duty which is applied to check its expansion.

6. With reference to paragraph 5 it has already been stated that the increase of excise revenue accurately reflects the prosperity of the working classes. From this point of view such increase is a subject for congratulation as symptomatic of bumper harvests and high wages. The Board agree that the relaxation of social and religious restrictions on the use of liquor is a factor, though statistically an unimportant factor, in this increase. Hundreds of Indian gentlemen to whom the Senior Member has spoken on the subject admit, with hardly a dissentient voice, that the higher classes are drinking as they did not drink before, and that this increase goes on each year. It is due to the weakening of religious sanctions consequent on the spread of western education to facilities for travel and to other reasons. As one Indian official put it in a report : " Youths independent of home influences and religious leaders are inclined to drink ". A highly educated Deputy Collector of Fyzabad says " curious ideas of freedom due partly to western education seem coming over people ". It is also significant that Thakurs, Banias and Brahmins are to be found among licensed vendors. But these developments are in no way due to undue facilities given by Government, and the increase in revenue from this source is negligible. Figures showing the increase in consumption from foreign liquor are not available but license fees have fallen off and the fees themselves have been greatly raised (in particular the raising of the fee for an " on and off " license from Rs. 300 to 1,200 may be instanced) with the intention of discouraging consumption among the higher classes. The amount of attention which has been devoted to this side of the problem may be gathered from paragraph 7 of the review.

7. The figures exhibited in Statement C are of great importance as a comment on the generalities commonly indulged in by the Deputation concerning the increased facilities for drinking afforded by the Government. On the question of the number of shops the Board agree that generally speaking their number has been reduced as far as it is desirable, but according to custom the question will again be examined during the ensuing cold weather.

As regards the time for closing, it can not be said that 9 P.M. is an unnecessarily late hour when the hours observed in Europe are taken into consideration. The Board do not think any change advisable, but it would no doubt be feasible to close earlier in the winter. If the public convenience is met by a 9 P.M. closing in the hot weather and rains, 8 P.M. might be the hour from October to March.

8. As regards Advisory Committees (paragraph 11 of the review), the Board agree that it is desirable that they should be started in all municipalities and should meet once a year. Where they are already established they are invariably consulted and their recommendations are almost invariably accepted. Further than this it is not possible to go. The licensing of shops is a matter which requires study and an intimate knowledge of local conditions as they exist among the lower classes, a knowledge which municipal members do not as a rule possess. They are gentlemen of position who do not drink themselves and they know little of excise requirements. The Municipal Board of Lucknow (the largest of all the municipalities) have asked not to be burdened with licensing

matters. The members know well that if licensing were left in their hands they would be subject to continual pressure and annoyance from people asking for the use of their influence. The experience of the Collector of Banda would seem to justify the apprehension that the first step of a non-official licensing committee drawn from a municipal board might be to increase the number of shops and stimulate competition so as to make drink cheaper for the poor people. This is philanthropy of a kind which will hardly commend itself either to the temperance reformer or to the Government.

9. While agreeing with the remarks of the Excise Commissioner in paragraph 14 of his review, the Board would lay special emphasis on the vital difference between conditions in England and in this province. There is practically no competition in India, each shop has its own particular clientele and has virtually a monopoly of the neighbourhood, and this is an essential feature in Indian administration. Whether the system of fixed fees be adopted or the auction system retained the result is exactly the same. The vendor tries to sell as much as he can at a remunerative rate. There is some irony in the desire of the Deputation to replace the auction system by one which involves the creation of their pet political bugbear-vested interests in the liquor trade.

10. The Senior Member is in entire agreement with the Excise Commissioner's remarks in paragraph 15 of his review and is inclined to lay down that whenever a senior Joint Magistrate or Deputy Collector is not available, the settlements should be made by the Collector himself even though it may throw his ordinary work out of gear for a few days.

11. *Paragraph 17 of the review.*—The considerations formulated in rule 82 of the present Excise Manual seem to cover the whole ground on which the Parliamentary Deputation based their criticisms as to the location of shops. The provisions of this rule are strictly followed in these provinces, and, whatever may be the case in Presidency towns, the abuses pointed out do not exist in the United Provinces.

* * * * *

12. *Paragraph 21 of the review.*—It has been shown that one important reason for the increase of excise revenue is increased taxation. As regards consumption it is not shown that, beyond the trifling increase which is due to the extension of drinking habits among certain of the higher classes (an extension which, however much to be deplored, is unconnected with our excise policy), there is any real permanent increase greater than would naturally follow an increase in population. Some authorities go far as to assert that a decrease has occurred, since, owing to the high price of liquor, it costs more to get drunk. The drinking classes are not becoming drunkards—statistics show India to be the most sober country in the world—they drink a certain amount, as they have always done, in prosperous years, in lean years they appear to find little difficulty in greatly reducing their indulgence. However much the fact that the outward and visible sign of prosperity in the working classes is a rise in the excise revenue may be regretted, it cannot be disputed, and any change in the habits of the people must come from within. The field for temperance work in India is extensive and it is open. The Kayasth Sabha has done good work, and the influence of the Arya Samaj in discouraging the use of intoxicants is spreading. But what is wanted is real 'live' temperance work among the orthodox Hindu community, and among the Muhammadans. At the Budget debate in Council last month an Honourable Member, a Brahmin, called upon the Government to *lead the way* in the matter of temperance reform. Such reforms have always the cordial sympathy of Government, but they must come from within, and the fact that such a proposal was made only illustrates the unpractical attitude of the leaders of the educated community towards excise problems.

No. 734-C-II-451, dated the 2nd September 1913.

From—C. E. WILD, Esq., I.C.S., Commissioner of Excise, United Provinces,
To—The Secretary to the Board of Revenue, United Provinces.

I have the honour to submit the report called for in your endorsement
No. 226-N/V.-E., dated the 12th May 1913. In your endorsement

No. 2466—N.V.-E.-534-B., dated the 23rd August 1913, you ask that the report may be sent in before the end of the month. The divisional reports are submitted in original, there being no time to get them copied. I also forward a report by Pt. Madho Prasad Misra, Assistant Commissioner of Excise. This officer is a Brahmin who served for some years as a Deputy Collector and has now served seven years in the Excise Department. His opinions are thus based on first-hand knowledge of the subject and are particularly interesting.

2. Before considering in detail the various questions propounded I should like to make a few remarks on the general subject. Sir Herbert Roberts' Deputation is unfair to the Government of India and its officers. It fixes its attention on the growth of revenue and makes no mention of the efforts that the Government has made and is continually making to check the increase of consumption. Its position involves a repetition of the often exploded charge that Government by its policy deliberately encourages drinking in order to get revenue. It charges the Government with dishonesty. The Honourable Mr. Gokhale while professing to believe that Government has no wish to spread the habit of drinking goes on to suggest the exact contrary. His words are "They (the Government of India) do not want to spread drinking but they are interested in the revenue that arises from it and that constitutes a serious difficulty in the question." District officers are attacked by the suggestion that in performing their duty as licensing authorities they disregard the principles laid down by Government for their guidance and subordinate them to increasing the revenue. Excise officers are attacked in a similar way. The Government of India is well able to defend itself from such a charge. As to district officers the rise or fall in the excise revenue of their districts is a matter in which they have no personal interest whatever except in so far as it is an index of the well-being or otherwise of their charge. So long as they follow the principles laid down by Government they are in no way held responsible for a decrease of revenue, nor do they gain any credit for an increase. Similarly, with Excise officers. No opportunity is lost to impress on them that considerations of revenue are subordinate to their chief duty, that of controlling the trade in and checking the abuse of intoxicants. These charges made so lightly are strongly resented by the officers concerned, and are sincerely to be deprecated. Officers are perfectly willing to welcome and assist temperance workers but attacks and insinuations such as those above alluded to obviously do not make for greater co-operation.

3. During my tour just completed, I have taken the opportunity of consulting a number of officials and non-officials on the questions raised. What struck me as very noticeable was the want of knowledge of the subject on the part of non-official gentlemen. It is quite clear to me that the questions are not live ones in these provinces. My visitors would express vague opinions betraying complete unfamiliarity with the subject but it was very rare that they could give any fact within their personal experience, e.g., of any youth among their acquaintance who had taken to drinking, or instances of that kind. At one large town, I asked an experienced officer whether any members of the Municipal Board took any active interest in the question. He replied "Sir, there is not one who understands a single word of Excise." The gentlemen who make speeches in Council on the subject are gentlemen who have never touched intoxicants themselves and have no first-hand knowledge of Excise problems. They take up the subject in their role of social reformers. It is easy to make an eloquent and well-sounding speech in favour of temperance, and by ignoring some facts and colouring others much useful political capital can be made out of the subject.

4. I now come to a consideration of the questions referred to in paragraph 2 of the Board's letter of 12th May. The first refers to the special aspects of the drink question in these provinces as revealed by the statistics of the last seven years. It will be convenient to take the various statements in turn.

Statement A.—This shows the very progressive policy followed in reducing the areas under the out-still system. During the eight years the percentage of the out-still area to the total area has been reduced from 36.5 to 13.6. The population of the areas under the out-still system was, in 1905-06, 8,452,000. It

is now 1,817,000. That is to say the reforms have affected 6½ millions of people. This represents a great reduction in the consumption of liquor. Where under the out-still system a bottle of liquor as ordinarily consumed costs from 2 to 4 annas, under the distillery system it costs from 10 to 12 annas. The effect on consumption is obvious. It has to be discounted by some increase in the consumption of toddy in districts where toddy trees exist but the effect of this is relatively small. Moreover, toddy is a comparatively weak beverage. The conversion of out-still areas has involved considerable sacrifice of revenue, especially in the first few years after conversion. In the annual excise administration report for 1911-12, paragraph 10, there is a statement showing the financial results of conversion. To cite a few instances, in two tahsils of the Gorakhpur district in which the out-still was converted to the distillery system in 1906, the revenue from country spirit fell from Rs. 60,192 to Rs. 24,478 and three years later had only reached Rs. 43,135. In another part of the same district the revenue fell in the first year after conversion from Rs. 1,09,400 to Rs. 54,484 and in 1911-12 was only Rs. 81,947. In Ballia, the revenue fell from Rs. 93,752 to Rs. 33,425, and three years afterwards had only reached Rs. 47,787..

This Statement A shows the great rise in revenue during the last three years but it is the consumption which is the important thing in the present enquiry. More than half the increase in revenue under the distillery system is due to the inclusion of former out-still areas and to the progressive enhancements of duty.

5. *Statement B.*—This gives the figures of consumption of country spirit in distillery areas. They shew that from 1905 to 1908 consumption remained fairly constant. In 1909, there was a heavy fall due to the partial failure of the crops. Since then, there has been a continuous rise, the chief cause of which is undoubtedly the prosperous harvest of the last three years. Last year, in particular, was for the greater part of these provinces a bumper year. The Board of Revenue has recorded that the *rabi* of 1912 was one of the finest ever reaped. That of 1913 was little behind it. The statistics however, as they stand, do not represent the consumption of a fixed number of people. During these eight years the distillery area has been constantly extending owing to the conversion of out-still areas. In order to compare like with like it is necessary to analyse the figures. Taking the population of the area transferred from out-stills to distillery and applying the provincial rate of consumption we find this accounts for 219,000 L. P. gallons out of the total consumption of 1912-13. Deducting this we find that the consumption of the distillery area as it stood in 1905 has risen from 1,148,888 to 1,471,040 proof gallons, an increase of 28 per cent. This then is the true increase for the old distillery area over a period of eight years, the three last of which have been years of unbroken and increasing prosperity. The main cause of the increased consumption of the last few years is undoubtedly the prosperity of the agricultural and labouring classes. With good harvests and a strong demand for labour at high wages the consuming classes have been in funds and have had money to spend on the few luxuries within their reach. The years have been auspicious for Hindu marriages which are always the occasion for much feasting and some drinking. The Indian hostile critics of Government refuse to accept this plain and simple explanation of the bulk of the increase of consumption because it goes against their constant theme, that the country is being drained of its wealth by an alien Government and is in the last extreme of poverty. The explanation is nevertheless the true one and other causes are of comparatively small importance. The Honourable Mr. Gokhale in dealing with the subject stated that the rise in wages has been more than counterbalanced by the rise in prices. The truth is really quite the contrary. The rise in wages in most trades and employments has been in the last ten years considerably greater than the rise in prices of the staple food-stuffs in common use. In proof of this, I need only refer to the last volume of statistics of wages and prices and Mr. Moreland's note on the subject.

Other causes that have contributed to the increase in the recorded consumption of liquor that has paid duty are the increased activity in checking illicit distillation, the increased control over distilleries and the trade exercised by the reorganized excise staff, the growth of railways, factories and other forms of

industrial enterprise, and the relaxation of social and religious restrictions on the use of liquor.

The prevalence of plague is another factor. The belief that the use of liquor is a prophylactic against plague is widespread, and the idea is not altogether baseless.

One of the members of the Deputation objected to the suppression of illicit consumption as one of the reasons for a rise in licit consumption on the ground that the administration is now so well-established that illicit distillation ought to be negligible. This however is still far from being the case. Illicit distillation is still prevalent in many tracts of country and is very difficult to cope with. Distillery liquor has been made expensive owing to enhancements of still-head duty with the result that the whole country side sympathises with the smugglers and actively and passively obstructs the preventive men. The materials for distillation are at hand everywhere, molasses in the north and west, mohwa in the south and east; the apparatus required is of the simplest description so the running of a still is no difficult matter. There is still indefinite scope for the preventive staff. In the districts of Allahabad and Fatehpur alone there were in 1911-12 no fewer than 438 cases of illicit distillation brought to Court.

With reference to the question as to whether the habit of drinking is spreading to new classes there is no doubt that this is taking place but the process has been going on slowly for many years and has little to do with the increase in the period under consideration. A good many Mahomedans of the lower classes, especially nau-Muslims, butchers, and mill-hands, now drink openly. Among higher caste Hindus, Thakurs, Kayasthas and some classes of Brahmans have always used liquor, but it is not now uncommon among other classes of Brahmans and some classes of Vaisyas. The use of alcoholic liquors among the educated classes is no doubt spreading but here it is used in moderation and cases of drinking to excess are not common. At some Indian social clubs foreign liquors are to be seen but I have not heard of anyone being the worse for it. After making extensive enquiries, I am able to say with confidence that there has been no visible and alarming spread of the habit of drinking to excess in these provinces. I wish I could say the same of the vice of cocaine-eating. I do not see how Government can do more than it is doing to guard against the danger of excess in the use of alcoholic liquors.

Apart from the conversion of out-stills, a very real reform, consumption is carefully watched and wherever there appears to be a permanent material increase, apart from casual fluctuations duty is enhanced in order to check the increase. The reduction of the number of shops has been steadily carried on and the number is now about as low as is possible. In order to prevent secret drinking all retail shops for the sale of country spirit have to be constructed so that the interior shall be visible from the doorway. In municipalities there must be only one door opening into a public road and windows opening into the road have to be covered with wire netting. This it will be admitted is far beyond what is attempted in European countries.

6. *Statement C.*—This statement shows the progress made in the reduction of the numbers of shops. In some places, the cutting down of shops has been somewhat overdone with the result that some shops have a monopoly over a large area. The figures dispose effectively of the loose talk about "increased facilities for drinking."

7. *Statements D and E.*—Show the number of shops for the retail sale of foreign liquors and the license fees realised for wholesale and retail shops. The number of retail shops has been reduced from 337 to 274, neither of which numbers can be called excessive. With a view to check the consumption of foreign liquors by the well-to-do Indian classes the license fees were greatly raised in 1908. Ordinary "on and off" licenses were raised from Rs. 300 to Rs. 1,200. With the same object the duty on foreign liquors has been greatly enhanced. The duty on beer has been raised from one to three annas a gallon. The duty on foreign spirits was raised in 1906-07 from Rs. 4 to Rs. 7 a proof gallon and in 1908-09 to Rs. 9-6-0 a proof gallon. The imposition of this tremendous duty on foreign spirits has hit hard the European residents who are not very well-to-do.

8. *Statement F.*—Shows the falling off in consumption of foreign spirits since the last rise of duty.

Statement F.—Shows the revenue derived from toddy. There has been a considerable rise in the last four years chiefly due to the good seasons but partly due to the conversion of out-still areas and to the increasing cost of country spirit.

9. *Statement K.* concerns hemp drugs. During the period under review considerable progress has been made in the reduction of shops for the sale of these drugs, the net reduction being 302 shops. Consumption has decreased from 347,000 seers to 266,000, while revenue has increased from 19.37 to 23.16 lakhs. This result has been attained by a consistent policy of enhancing duty. The duty on ganja was raised by 40 per cent. in 1906, and on charas by 50 per cent. in 1912. A further enhancement of the duty on ganja has been sanctioned for next year.

10. *Statement L.* concerns opium. This as in the case of hemp drugs shows a substantial reduction in the number of shops, some decrease of consumption and a considerable increase of revenue. The issue price of opium was enhanced in 1910 and a further enhancement has been proposed for next year.

Statements M. to P need no comments.

11. I now come to the second of the points referred to in paragraph 2 of the Board's letter. In these provinces, special Excise Advisory Committees are constituted in all towns with a population exceeding 20,000 and in the hill-stations of Naini Tal and Mussooree. The committees consist of the Collector, the Chairman of the Municipality, or where the Collector is Chairman, of a Vice-Chairman, the Superintendent of Police and three members of the Municipal Board elected by the Board. The duties of the committees are to meet for the purpose of hearing any representations that may be made by the inhabitants of the town or by the shop-keepers and to make recommendations as to the maximum and minimum number of shops that will be adequate to the requirements of the town during the following three years. The Collector has annually to consult the committee as to the location of shops in the town, and the committee has the power to make recommendations as to the location of such shops. The recommendations of the committee are forwarded by the Collector to the Excise Commissioner who after recording his opinion thereon submits them for the orders of the Board of Revenue.

The powers of the committee though merely advisory are still considerable. It is only in exceptional cases that the Collector finds it necessary to recommend alterations, as a rule the committee's recommendations are accepted. In municipal towns with a population below 20,000, no new shop can be opened without notice to the Municipal Board which is thus given an opportunity of expressing its opinion on the proposal.

In rural areas notice has to be given to the District Board, and the proposal has to be published in the vicinity of the place. Any objection brought forward is duly considered.

12. Sir Herbert Roberts' Deputation desire to see the power of licensing all excise shops transferred from the Collector to a local committee on which there should be a non-official majority. The only argument put forward is that the Collector cannot be trusted not to sacrifice the principles laid down for his guidance in order to push up the revenue. The Honourable Mr. Gokhale considered it apposite to cite the saying that no person can serve God and mammon together. As I have observed above the Collector has no personal interest whatever in pushing up the revenue and the argument rests on an unfounded and unwarrantable assumption. There is nothing else in the shape of an argument. With reference to the proposal I have nothing to add to what is said in paragraph 23 of the Government of India's Despatch No. 294 of 1908.

I see no objection to extending these committees to all municipalities. That is as far as I would extend them at present. Reports and returns are frequently called for by the Secretary of State in connection with the working of

these committees. An indefinite extension of the committees for no real reason is to be deprecated as adding to correspondence and reports all up and down the chain of offices. The committees are in my opinion sufficiently representative of local opinion and I would deprecate any increase in their size. Any one having any representation to make can always have it placed before the committee. In these provinces, the committees already have power to deal with all licenses for the sale of intoxicants of every kind. As to frequency of meetings, annual meetings are quite enough for the purposes of the committees.

13. (3) The question of reducing unnecessary shops is constantly being considered. The present number of shops in these provinces is in no way excessive and there is no room for further sweeping reductions. Where reductions are feasible they are and will continue to be made.

As to the hours of sale these extend to 9 P. M. In special cases and on payment of an additional fee premises may be permitted to remain open till 11 P. M. Such special permits are rare and the general rule is 9 P. M. This cannot be called late. The bulk of the business is done with the working classes who are not free till 6 or 7 in the evening. Complaints of the early hour of closing are even now common. To close earlier than 9 o'clock would be a genuine hardship to the poorer classes of consumers and would certainly lead to illicit practices, bogus clubs, etc. I would strongly deprecate any alteration of the present closing time.

14. (4) *The working of the auction system.*—The Deputation renews the attempt to get the auction system of licensing abolished but does not attempt to deal with the objections to any alternative system. It quotes certain remarks by the Governor of Bombay and the Punjab Government as in its favour. It appears from the Government of India's letter that experiments are being made with fixed fee licenses in some Bombay districts as an experimental measure. The results of the first few years' working of the experiment will be awaited with interest. Similar experiments in the past have proved failures. My own opinion is strongly in favour of the view of the Government of India expressed in their Despatch No. 294 of 1908. In the statement submitted by Mr. Roberts in 1907 the decision of the Government of India adverse to the suggestion of the Excise Committee regarding the auction system of licensing was attacked. Mr. Roberts said "In practice any increase of license fees has no effect on the price of liquor, unless all fees are raised in the same proportion, which never happens. *If more is paid for the license, the licensee must recoup himself by increase in sales, and not by increase in prices.* There is no other way : the increase of taxation by license fee must mean inducement to sell more and more liquor. This is the basis of our condemnation of the auction system, which we consider encourages the consumption of liquor by giving the greatest inducement to sell as much as possible, and in this sense is inconsistent with the declared policy of the Government of India". The charge is repeated by the Deputation of 1912.

The statement above quoted is completely at variance with facts and is pure theorizing on false premises. It assumes a state of close competition between licensed shops such as exists in many towns in Great Britain where public-houses jostle each other all competing for custom. In this country conditions are quite different. Licensed shops are few and far between and have a practical monopoly of local custom. An increase in license fees *does* commonly mean an increase in prices. This is a common-place of excise administration. When the license fees have been run up too high at the auction the usual course is this. The vendor tries to recoup himself by raising prices till he has raised them so high that business falls off. I may note that in these provinces it has been considered futile to fix maximum retail prices as it would be impossible to enforce such a restriction. He is very slow to lower them again and so the year's working results in a loss. For the next year the license fees fall, probably below the true value. Thus in the system of annual licenses determined by competition there is a self-compensatory principle always at work, and over a series of years the system works out pretty correctly. To say that the system as a system definitely encourages is untrue. Whether the system be one of fixed fees or the auction system the interest of the vendor is the same, that is to make as much

profit as possible by selling as much liquor as he can at a remunerative rate. The auction system is not perfect but the charge brought against it by the Deputation is based on error.

15. The system if worked properly is in my opinion the best that is open to us under existing conditions. To work it properly, however, it is necessary that the settlements should be made by a fairly senior officer with knowledge of the subject and the personnel of the trade. Where unequal and unsatisfactory results have been obtained it has generally been due to the appointment of a junior inexperienced officer to conduct the settlements. This has probably been unavoidable. As district officer I have often had to arrange for the discharge by two officers of duties that would have fully occupied the time of four. In this matter excise has only had to share with other branches of the administration in the want of efficiency due to under-staffing. I understand the question of increasing district staffs is receiving attention, and better still, has some prospect of receiving funds.

16. As an illustration of the working of an attempt to introduce what was practically a fixed fee system I would quote an extract from the annual Excise Report for 1910 of the Province of Eastern Bengal. This was in connection with opium shops. "In Chittagong owing to the necessity for keeping down license fees in order to discourage smuggling from licensed shops maximum prices were fixed for opium shops above which bidding was not allowed to go. Only persons approved by the Collector were allowed to bid. Competitors were divided into two classes, viz., those who were permitted to bid for all shops and smaller men who were permitted only to compete for the less important ones. The result was that every one bid much above the maximum and the shops were eventually distributed by lot."

17. (5) On this point, I have little to add to the remarks in my report for 1910-11 referred to in paragraph 5 of your letter. Further examination of shop sites has revealed very few cases to which exception can be taken. In the larger towns, however, there is increasing difficulty in obtaining suitable sites and it is probable that eventually action will have to be taken either by Municipal Boards or by Government in the direction of providing sites. The Collector of Gorakhpur has some interesting observations on this subject referring more particularly to his experience in Lucknow. The existing rules as to the criteria to be followed in deciding as to a site are rules S2 and S4 of the Excise Manual. They are in my opinion adequate and I have no additions to suggest.

* * * * *

21. In view of what has been said above it seems superfluous to comment in detail on the district reports. The main point is that the increase of revenue deplored by the Deputation is partly due to enhanced taxation and partly to a real increase of consumption. By far the most important cause of the increase of consumption is the succession of prosperous seasons and the consequent prosperity of the chief consuming classes. When the next failure of the rains occurs (far may it be) it is certain that consumption and revenue will both drop in a way to satisfy the most implacable critics of Government. Meanwhile, the question of checking the abuse of alcoholic liquors will continue to receive earnest and anxious consideration, and while no hopes can be held out to the total-prohibition men, any movement towards temperance will be welcomed and encouraged.

No. 2191, dated the 2nd July 1913.

From—W. S. MARRIS, Esq., I.C.S., District Officer, Aligarh,
To—The Commissioner of the Agra Division.

In compliance with your No. 1751-V.—11, dated the 22nd May 1913, forwarding copy of B. O. No. 225, dated 12th May 1913, I have the honour to submit the opinion called for on the five points to which the Local Government has directed attention. As instructed in your supplementary No. 1899-V.—11, dated

the 10th June 1913, figures for 1912-13 have also been given in the statements of statistics.

2. The consumption of country spirit in this district has increased from 14,281 gallons L. P. in 1905-06 to 21,761 gallons L. P. in 1912-13. This is a gross increase of about 50 per cent during the period. The figures of incidence in gallons per 100 head of population also show an increase of 50 per cent. viz., from 1.2 to 1.8.

That consumption to a great extent fluctuates with the increase and decrease of population is shown by the sharp fall in the amount consumed in 1908-09, a year in which malarial diseases caused a very heavy mortality but the population is practically the same now as at the previous census so that the higher consumption cannot be adequately accounted for by an increase in population.

3. But a stationary population has had its indirect effect because it has been a contributory cause of the enormous rise of wages. This economic phenomenon has been general throughout India of recent years, but in this district it has been particularly marked, special local factors being among others :—

(a) The rise of the general standard of living due to increased prosperity in its turn largely due to improved irrigation.

This means not only that labour demands a higher remuneration to satisfy its increased needs, but that the total demand for labour is increased as what were luxuries for the employing classes become necessities. The effect of this improved standard of living on wages is then intensified progressively.

(b) The large building operations connected with the college.

(c) The extraordinary demand for labour caused by the proximity of new Delhi. This has naturally only affected the last year, but that effect has been very marked and is increasing.

The rise of wages, which has been accentuated in this district, has in the main benefited those classes who by tradition and habit have always been allowed and accustomed to drink liquor. The restriction on their consumption hitherto has been mainly their inability to buy. It follows perfectly naturally that an expansion of their purchasing power should have resulted in a largely increased consumption of the easiest and most essential concomitant of improved circumstances. An example of the increase of consumption following on prosperity is provided by the town of Hathras which is the main industrial centre and now shows signs of recovery from its temporary financial debacle. The revised impetus is of course reflected in a numerical increase of the consuming class of mill-hands, who are further in a financial position to purchase more largely than before.

4. There can be little doubt that outside what we may call hereditary wine drinkers, the use of liquor is spreading to other classes. Low class Mohammedans, especially butchers and nau-muslim kalwars, are becoming habitual consumers, especially those who have become rich by trade. This as being directed contrary to their religious tenets is of course to be deplored. But the moderate use of wine among Hindus even Baniyas and Brahmins, whose religious ordinances have been found capable of relaxation on this point, are not open to the same objection. A more liberal interpretation of their precepts has undoubtedly led to the use of stimulants by a considerable number of them, partly from a natural appreciation of liquor, partly from the example of the more educated who have adopted this among other Western and Northern habits. The tendency of the latter class was at first towards imported liquors and Rosa Rum, but the high duties in 1906 and 1910 have driven many of them back on to country liquor.

5. There is a minor contributory cause in the belief in the medical value of stimulants in the treatment or prevention of plague. This belief receives support, perhaps illogically, from the increasing popularity of medicated wines.

6. Lastly, an undoubted increase was caused during a period when the license fees and duty had not reached their full taxable limit. Want of competition, for which the Excise Department must (though only in a slight degree) be held

responsible, resulted in keeping license fees low. The result was that liquor sellers could afford to sell very cheap being secure from loss, and obviously this actively promoted consumption.

7. But apart from these minor causes, the main reasons for the increase in consumption lie in the following facts :—

- (a) Those to whom custom has made liquor a necessity have had their purchasing power vastly increased by the rise of wages.
- (b) The number of consumers is being continually added to by the adhesion of those who from the example of a more recent civilization and a latitudinarian interpretation of traditional precepts are adopting the use of stimulants.

While however consumption is increasing it would be a mistake to support that this implied any deterioration of the moral standard as evidenced by any marked increase of drunkenness.

Drunkenness is extremely rare and almost invariably among persons of a social and intellectual status where an excess of alcohol connotes but a small degree of ethical depravity.

8. To turn to the third point of the five under consideration, leaving the question of the advisory committees for treatment later, I would call attention to the figures for the shops at the beginning and end of the period.

In 1905-06, there were 64, or one shop to every 31 square miles and to every 18,747 persons : in 1912-13, there are only 52 shops or one to every 37 $\frac{1}{4}$ square miles and to every 22,417 persons. No further decrease is considered advisable at present ; in fact applications have been made to the Excise officer to increase both country and European liquor shops. These have been rejected, in the latter case on special local grounds (Aligarh having a large Mohammedan student element) but the demand sufficiently proves that the number is not in excess of legitimate requirement. I am, however, in further restricting the hours of sale as follows :—

S A. M. till S P. M. October to March.

S A. M. to 9 P. M. April to September.

This would not facilitate the supervision of shop-closing, but would put a check on nocturnal drinking in which there is much more opportunity for undesirable excess than at other times.

9. *The 4th point.*—In my opinion, though possibly a further increase in still-head duty may be practicable the auction system in practice is open to very few objections. I have found that a little foresight will usually ensure good competition, and a good revenue being obtained in license fees. This means that those who indulge in the luxury of liquor contribute largely to the revenue which is spent on consumers and non-consumers alike. It also means that the increase in license fees is mostly shifted on to the consumer, and the resultant high prices automatically check consumption. For these two reasons, I am one of those who, as Sir Herbert Roberts says, rejoice over an increase of revenue when derived from license fees. Occasionally, it is necessary to cancel an outrageously high bid for fear that the prospect of obvious loss to the contractor may lead to illicit practices or to the supply of such inferior and diluted liquor as the public may fairly claim to be protected from by the Excise Department as the monopolists of the article. With ordinary care to secure adequate competition on the one hand and to eliminate preposterous bids on the other, the auction system works admirably.

10. *The 5th point.*—The suitability of sites is the subject not of periodic consideration at more or less long intervals, but of perpetual scrutiny. The Excise Officer and Inspector and the Sub-divisional Officers, tahsildars, etc., always consider and report on the suitability of any shop inspected and these inspections are regular and frequent. The public are asked if they have any objection and any objection offered receives the fullest consideration. I do not see what additional severity of examination could be imposed.

11. *The 2nd point.*—The consideration of the other 4 points should have made it sufficiently clear that in no particular except an occasional failure (not always avoidable) to encourage competition, are the Excise authorities responsible for the increase of consumption. In no instance is increase of Revenue from Excise welcomed except as a tax on consumers for the benefit of non-consumers and as being itself a deterrent to consumption. I submit that the Excise authorities distinguish clearly between an increase in revenue from *still-head duty* as indicating a real and possibly undesirable increase in consumption, and an increase in revenue *from license fees* as constituting a testimony to their success in carrying out the cardinal precept of Excise administration that the maximum revenue from the minimum consumption is the goal at which to aim. The Collector is rarely his own Excise Officer, and the fact that he is the chief Revenue official of the district does not drown his faculty or readiness to criticize the administration of his subordinate Excise officer. Nor even if he retains excise directly in his hands is he likely to lose sight as District Magistrate of the resultant increase of crime which may be considered an inevitable accompaniment of any marked increase in drunkenness. Excise is only one of his minor duties and it is ludicrous to suggest that in order to show an inflated figure in a comparatively unimportant annual return he would deliberately undermine the well-being of a district for which he is directly responsible and in which he is personally interested. The supposition then that the Excise authorities attach any particular importance to revenue except for the two salutary reasons given above is readily disposed of. It remains, however, to consider whether the employment of advisory committees would add the local knowledge of the public-spirited member of the good intentions of the district officer. Ideally, this might be so. In point of fact, civil consciousness is in so undeveloped a condition that very few of the persons who could be put on an advisory committee have taken sufficient interest in the subject to obtain any greater knowledge of local excise needs and conditions that the district officer has acquired in the performance of his duties.

The Municipal members already are inclined to regard with some diffidence the growing extent and laboriousness of their duties, and the opinion would not be rare that in saddling them with those of a licensing authority, Government was improperly shirking its own functions.

A licensing authority constituted distinct from the revenue authority, *i.e.*, the Collector, would very often, whether rightly or wrongly, be accused of partiality in its decisions on matters where such large pecuniary interests were concerned. Lobbying and the application of personal influence would be tried, I trust ineffectively. The sole advantage of such a committee, *viz.*, its possibly more intimate knowledge of local conditions can be utilised by due consultation by the Collector with those whose opinion is worth having and it has not been shown that Collectors have been backward in obtaining such assistance.

12. In conclusion, I have to acknowledge my indebtedness to my predecessor Mr. Collett, who was for a long time Excise Officer for the foregoing report.

No. 2921-V-227 (IX), dated the 6th August 1913.

From—C. M. KING, Esq., I.C.S., Collector of Gorakhpur,

To—The Commissioner, Gorakhpur Division.

With reference to Board's Order, No. 225-V.E.—534-B., dated 12th May 1913, forwarded under your endorsement No. 957-V—25, dated 15th May 1913, I have the honour to submit the following report together with the statements A to P.

2. It is assumed by the critics of the Government administration that the consumption of liquor has increased. This assumption may be true of India as a whole, but it does not appear to be true of the Gorakhpur district. The consumption of distillery liquor has increased only because the area served by distillery liquor has increased and the out-still area has been correspondingly reduced. The conversion of out-still into distillery area undoubtedly reduced

The incidence of revenue per proof gallon has risen from Rs. 4.6-5 to Rs. 4.10-2 in the period under report. This must be regarded as satisfactory both from the revenue and from the temperance point of view.

The danger of raising the price of liquor too high is that it may result in driving people to more harmful intoxicants in the form of hemp drugs.

The figures for the consumption of hemp drugs are unreliable owing to the amount of smuggling which has hitherto prevailed from Nepal and Bengal and to the illicit preparation of hemp drugs from the wild hemp plant. Enough hemp grows wild in this district to supply the wants of the whole province.

The figures for the consumption of hemp drugs show a very large increase. Although the figures must be partly discounted for the reasons above mentioned, still it would seem that there has been a real rise in consumption. Looking at the decrease in the consumption of liquor in the same period it is difficult to avoid the inference that people have to some extent taken to hemp drugs in place of liquor, finding the former a cheaper form of intoxicant. If this is so, it is clear that any proposals for raising the price of liquor and for reducing the number of liquor shops will have to be viewed with the utmost caution.

Hindus seem to have no religious prejudices against hemp drugs. Sadhus are notoriously addicted to the drug habit. A leading Brahman of the district has been actively engaged in smuggling drugs from Bengal.

3. *Para. 3 point 2.*—In this district an excise advisory committee was formed but no one could call it a success. In 1911, a committee was held and the Municipality appointed 3 members to represent un-official Indian opinion. Two of these members pleaded sickness at the last moment and did not attend; the third made a proposal which, if accepted, would have encouraged the consumption of *tari*. That member is a large owner of *tari* trees.

The main difficulty is to get the better class of educated Indians to take any interest in excise matters. The Excise preventive staff always complains of the apathy of zamindars, who not only do not help to bring to light cases of illicit distillation, etc., in their villages, but give every assistance to their tenants when prosecuted for excise offences. Offenders against excise regulations seem to incur no moral odium.

In rural areas, I am convinced that there is no public opinion that requires representation. In municipalities the Board should always be consulted before any new shop is opened or the site of an old shop shifted. Any representation they may make regarding the undesirability of any existing site should always receive prompt attention. As the Board is the acknowledged organ of public opinion in a municipality, it seems useless to constitute a special advisory committee.

If the attitude of Indian opinion towards excise matters is to be ascertained, the excise systems of Native States should form a fruitful ground for enquiry. In Nepal, I know that out-stills are licensed at a very low rate per annum, so that Nepalese liquor vendors are able to sell their liquor at prices far below those prevailing in this district.

4. *Para. 3 point 3.*—The number of liquor shops in the district has undergone a very marked reduction from 335 to 161 during the period under report. The number of shops per 10,000 of population has fallen from 11.40 to 5.49; and the number of square miles per shop has risen from 13.56 to 28.12. In view of these very drastic reductions the excise policy of this district is obviously not open to the charge of encouraging drink. The present number is about as low as it would be safe to go without inflicting undue hardship on the people, stimulating illicit distillation, and driving people to the use of hemp drugs.

There seems no point in curtailing the hour of sale. In the city, 9 P.M. is early enough. In villages, the strict enforcement of early closing is quite impracticable, and in my opinion unnecessary.

5. *Para. 3 point 4.*—The auction system seems to me the best means of raising the maximum of revenue from the minimum of consumption. There is only one point I would like to raise in this connection. In big cities the auction system in its present form is not suitable. The reason is that in cities the shifting of sites is difficult and objectionable. If the site is to remain unchanged the proprietor of that site is able to charge practically any rent he pleases. I know a case in Lucknow where the landlord who had been getting about Rs. 5 per mensem for certain premises was able to demand and obtain Rs. 200 per mensem for the same premises when leased for a liquor shop. The liquor contractors do not lose, since they allow for the rent when making their bids. The whole loss falls on Government which gets proportionately less in license fees. The landlord pockets his unearned increment.

The remedy is for Government, or the Municipality, to acquire, and if necessary to build, suitable premises which will be tenanted each year by the successful auction purchaser on whatever rent may be fixed.

There are many advantages in this system (*a*) the site can be deliberately selected in the least objectionable locality, (*b*) the shop can be built on the most approved plan for checking illicit practices—with only one outer door, opening on to the main street, with windows barred so as to prevent liquor being passed out after closing hours, and so forth, (*c*) sanitary requirements can be attended to, and (*d*) there is no loss of Government revenue.

I am quite aware that this course will be objected to on the ground that the good name of Government will suffer if it becomes the proprietor of liquor shops. Government will more than ever be accused of encouraging drink and deriving

revenue from a tainted source. It is hardly necessary for me to point out the futility of these accusations. People who are unable to see that the Government aims at controlling the consumption of liquor as well as at deriving revenue from such control must be either ill-informed or unable to reason clearly. Most reasonable people would be capable of seeing that the course which I suggest would really be a measure of control and desirable in the public interests.

The Municipal Board of Lucknow have in fact built one such liquor shop at my suggestion and I have never heard that their good name has suffered thereby.

6. Para. 4. point 5.—The question of the suitableness of shop sites is continually receiving attention. Shops are regularly inspected by the Excise staff and also by the Sub-Divisional Officers and Tahsildars when on tour. This part of their duties is specially impressed upon them in tour instructions. Any complaints about the sites are at once brought to the notice of the Excise Officer. I fail to see what more can be done in this direction.

No. 3579, dated the 2nd September 1913.

From—W. J. E. LUPTON, Esq., I.C.S., Collector of Moradabad,

To—The Commissioner, Rohilkhand Division,

I have the honour to reply to B. O. No. 225-V.—E.—534-B., dated the 12th May 1913, received under your endorsement No. 2638-V.—152, dated the 19th July 1913. The delay is due to my two absences from the district on special duty with the Primary Education Committee, and to the matter having to await my return.

(a) The excise statistics for this district for the period 1905-06 to 1912-13 under all heads as asked for in the letter under reply and in its enclosures, and in B. O.'s No. 740 and 2211 of the 20th June 1913 and 13th August 1913, respectively—as also in the Excise Commissioner's letter No. 1448 of the 6th June 1913, are appended to this letter.

3. These statistics shew for this district of Moradabad that :—

(a) The Excise Revenue from all heads has increased from Rs. 1,83,292 to Rs. 2,82,821, i.e., by roughly 54 per cent. In the period 1905-06 to 1912-13 under country liquor alone the increase is from Rs. 1,09,138 to Rs. 1,89,455 or of about 80 per cent.

(b) The consumption of country liquor has apparently increased from 28,998 to 33,954 gallons or by 15 per cent.

(c) The consumption of country liquor in gallons per 100 of the population, however, has decreased from 2.72 to 2.69 gallons.

(d) The population of the district is now 1,262,933 as against 1,191,993—an increase of 70,940. But the whole district now is under the distillery system while in 1905-06 the population in the area under the distillery system was 1,066,460, so that the effective increase in population for the present purpose is 196,473 or 18 per cent.

(e) Consumption of bhang has decreased from 4,000 seers to 2,200 seers or by 45 per cent, but on the other hand, charas has increased from 730 seers to 1,455 seers or by 100 per cent.

(f) Consumption of opium has slightly decreased from 1,884 to 1,777 seers or by 6 per cent.

(g) As regards foreign liquor, only two years' figures of consumption are available; so nothing can be said as to 1905-06. The figures of sales, however, of foreign liquor for the whole district are so small that their addition to the figures for country liquor would make no appreciable difference to the totals or the incidences of consumption.

(h) The number of shops for sale of country liquor has been considerably decreased—the actual decrease is of 23 out of a total in 1905-06 of 83. On the other hand, shops for sale of foreign liquor have increased from 16 to 22, so that the total decrease is of 17 shops.

4. The above figures, however, require the following comments and qualifications :—

In the first place, in 1905-06 one-tenth of the district approximately was under the out-still system for country liquor—and the gallons of liquor supplied from these out-stills for consumption are not known and do not find a place in the above recorded figures for 1905-06 which are for the distillery area alone. But assuming that, roughly, they gave a gallonage of consumption at the same rate as for the rest of the district under the distillery system,—(and probably a greater rate should really be allowed),—the corrected figures for 1905-06 should be 31,201 gallons as compared with 33,954 now—that is a total increase of 2,753 gallons only or 8 per cent., which is small only, in view of the increase of population. And the fact remains that the present rate of consumption of 2.69 gallons per 100 of population is less than it was 7 to 8 years ago.

Secondly, the figures as to drugs show that there has been no increase; taste has merely changed from bhang to charas, and the increase of population being taken into account, the incidence of consumption of drugs is, therefore, really less than it was, at any rate there has been no growth here in the habit of using these usual drugs.

Thirdly, while opium shows an actual decrease it has also to be remembered that a fair amount of opium purchased in this district is not consumed within it, but is removed for smuggling into Burma. No doubt some smuggling went on in 1905-06 also, but I think it probable that the amount of smuggling has been greater of recent years owing to the rise of prices.

As regards the rise in the Excise revenue, as consumption has in general, as shown, not increased, this rise is due practically entirely to—

- (1) Recent increases in the still-head duty for country liquor, a rise of 33 per cent. in the city and of about 40 per cent. in the rural areas.
- (2) A steady rise in the amount of license fees of Rs. 33,000 since 1905-06, these nearly doubling themselves in fact.

But as regards the latter, it is a truism that prices have been rising steadily and rapidly all the time, reducing the purchasing power of the rupee while at the same time the country has not been standing still in point of prosperity. This rise of 54 per cent. in the revenue, therefore, cannot be taken by itself as evidence of anything, if deception and fallacy are to be avoided.

5. In general, therefore, the figures for this district, so far from shewing any increase in drinking in the period in question, really show that on the average less is being drunk.

There is, however, the question of the individual drinker, and of the habits of particular castes. It is possible that while fewer people now drink, yet individual drinkers have taken to drinking more, or that, while the members of some castes have given up drinking or taken to drinking less, the members of other castes have taken to drinking more, or have formed the new habit of drinking.

On these questions, one can only give expression to generalities owing to the fact that no statistics, according to castes, exist here for the year 1905-06. For the last year of the period 1912-13 endeavour has been made to get figures, and after much discussion we have come in this district to the conclusion that the following figures represent fairly approximately what castes now drink, and what proportion each caste or section of the population now-a-days furnish of the persons who drink or use excisable articles, *viz.*:

1. Brahmans and Baniyas (about half and half)	...	10 per cent.	100 per cent.
2. Kayesths	...	15 "	
3. Low caste Hindus and depressed classes	...	65 "	
4. Mohammadans	...	10 "	

S With regard to the question dealt with in your note of 2^d August, I have seen the B. O. No 225 of 12th May 1912, a copy of the Municipal Board's resolution No. 30, dated 24th June 1912, on the subject mentioned. I was not myself present at the meeting of the Board on that date, being away on special duty, and the Municipal Board resolution is not very full. But in the form in which it is stated it must be understood that that Board meant definitely to approve of and endorse the suggestions and recommendations made in paragraphs 15 and 21 of Sir Herbert Roberts' statement of the 18th July 1912. I very much doubt, however, whether the Municipal Board gave these suggestions and recommendations as full consideration as their importance would merit, and in sending on the Board's opinion as given in their resolution, I have to express my own dissent with these suggestions and recommendations—with them in general so far as their general tenor goes, and with individual recommendations in particular.

Thus, the giving effect to these suggestions and recommendations in the statement of 18th July 1912 in question as they stand would result in making these so-called local Advisory Committees not merely advisory bodies but Executive bodies with full power over the licensing function. But in conditions as they still are in this district at least, I could not agree to this step. The members of this Advisory Committee would be subjected to all kinds of back-door influence and be squeezed this way and that by interested persons—and in most cases, they would only give licenses either to persons unduly favoured by

them, or to persons whose opportunities or whose friends had bothered or tired the members of this committee into giving them the licenses, with, in many cases, the result that the licenses would be given to unreliable and unsatisfactory persons, and administrative difficulties would arise. To take the work of the licensing function from the present Revenue officials, however, much theoretical reason there may be in the proposition—would, in my opinion, at present at any rate, be a great practical mistake. The present excise auctions that go on are not really *auctions* in the full usual sense of the word ; but the Revenue officer conducting the sale determines his choice of the persons to whom the license shall be given by several other considerations than the mere one of the amount of bid. He looks to the previous history of the bidder and his reputation for reliability and the like, to the history of the shop and to whether the amount bid for it, is likely to be excessive or is inadequate, he has information as to the formation of persons who are in the trade into "rings" or "groups" and he accepts the bids and places the licenses so as, as far as possible, to obviate monopolies. He is also not subjectable to back-door influences and can maintain much more easily impartiality. In my opinion, the leaving of this work as at present to the Local Revenue officials will mean much less likelihood of combinations, with the consequent lowering of retail prices, and increased consumption, than if the work is made over as suggested in paragraph 21 (4) of the statement of 18th July 1912.

9. With regard to the hours of sale, the Moradabad Municipal Board recommend hours from sunrise to sunset. But here again, I cannot agree even with the present closing hours of 9 p.m. the rule is more evaded than observed, and if the hour is to be 6 p.m. or 7 p.m. it will become practically a dead-letter, unless Government will consent to very largely increase the preventive staff—practically every shop will have to be watched to ensure the working of the rule, evasions will still be numerous, as also, therefore, prosecutions, and general increase of work and trouble.

The fact is that very little is drunk usually until the evening, and the drinking goes on rather from sunset to midnight. If any change is to be made, I would advocate that the hours for sale be fixed from 10 a.m. or 12 p.m. to 10 p.m.—except for fairs, where shops are allowed, for which the hours for closing should be sunset.

10. As regards Advisory Committees, these already exist in the 4 towns of this district ; so I have not to recommend that they be constituted for this district. They appear to have been consulted in the past as regards the number of shops within the areas under their care. But as regards their constitution, for much the same reasons as are stated by me in paragraph 8 above, I hold that of these committees the Excise Officer, or a local Revenue Officer should still continue to be the Chairman : though I have no objection to the majority of the Committee being non-officials. (*Vide* paragraph 15 of the statement of 18th July 1912 of Sir Herbert Roberts.)

11. With regard to the point raised in paragraph 2 (3) of the B. O. No. 225 of 12th May 1913,—with which I consider also their paragraph 2 (5),—as already noticed above in paragraph 3 (h) the number of shops for sale of country liquor has already been steadily reduced from 83 in 1905-06 to 60 now. And the number of shops of all kinds as at present was fixed 3 years ago upon the advice of the Local Committee appointed in this district for considering the questions of the number and location of shops. And since I have been here, I have, with the Excise Commissioner's sanction, closed one shop on the ground of unsuitable locality and because it did not seem required, (though one other shop has also been opened in another portion of the district, in order to cope with smuggling from Rampur which otherwise would go on).

Further, as a consequence of the present reference, the list of existing shops has been again submitted to scrutiny, with the result that, if the Excise Commissioner, or the Board of Revenue or Government pressed the matter, we would be prepared to recommend the further reduction of the numbers by 2—by abolishing one shop in the Moradabad City and one shop in the Amroha City—although otherwise I am personally of opinion that their abolition is not really

very necessary. Otherwise, the numbers for the district as at present appear to me to have about reached its minimum, unless there is a very decided change in policy.

12. I have already stated above my views as regards the hours of sale and I have also referred to the questions of the auction system. I would reiterate on this point that after all the Excise officer conducting the sales, or auctions, is not bound to accept the highest bid, irrespective of all other considerations; without this safeguard, the auction system is certainly vicious, but with it, and with an Excise officer gifted with ordinary common sense, and supplementing his own personal knowledge of the district and of the bidders, with that acquired by the Excise preventive staff and the other Revenue officials of the district, the evils of the system can be, and usually are, safely minimised. Possibly, the Deputation to the Secretary of State were not aware of these facts, or had not thoroughly appreciated them.

13. Lastly, I would add the remark that I am informed by persons in this district that Banias and Kayesths do not regard the use of intoxicants, more especially the drinking of liquor or spirits, as forbidden by their religion—on the contrary, I am informed that a Bania will drink freely and fearlessly if he has once taken to the taste. And from the not infrequent references to the "*soma juice*" (the then intoxicant) in the *Vedas* it is to be presumed that even the Brahmins could find a sanction in the foundations of their religion for the drinking of intoxicants. These higher castes, of course, drink, when they drink at their own homes usually and not at the places of sale.

No. 4533, dated the 5th September 1913.

From—H. G. S. TYLER, Esq., I.C.S., Collector of Cawnpore,
To—The Commissioner, Allahabad Division.

In compliance with your office endorsement No. 4322, dated 9th of May 1913, I have the honour to submit the statistics required together with an expression of my opinion on the points raised. I regret the delay which has taken place in doing this; but it took some time originally to get the necessary information together, since that was done my time has been so fully occupied that I have found it difficult to get an opportunity of going into this subject as fully as I desired to. I have discussed most of the points raised from time to time with many of the people who came to see me, and I am surprised to find how little interest generally is taken in the subject.

(1) The figures which have been called for reveal the state of affairs very fully. It is noticeable that of the 8 years, for which figures have been given, the revenue declined steadily during the first five years and increased during the last three, reaching its highest point last year. The figures for consumption of country spirit follow much on the same lines, except that in 1906-07 there was a rise followed by three years' steady decline and then by three years' steady increase. In this connection, it is worth noting that paragraph 9 of Sir Herbert Roberts' statement contrasts the figures for 1909-10 and 1910-11 with a view to showing the large increase which is taking place. Had he contrasted the figures for 1908-09 and those of 1909-10 the result would apparently have been very different at least in Cawnpore. It is also worth noting that the figures for 1911-12 closely approximate to the average of the five years, 1902 to 1907. The average consumption for those years was 86,900 proof gallons. The consumption in 1912-13 was 2 per cent. in excess of that average. On the other hand, the receipts from still-head duty and license fees averaged 467,733 in the five years 1902-07, and amounted to 536,780 in 1912-13, an increase of 14 per cent. Meanwhile, the number of shops has been reduced from 184 to 138, averaging latterly only 1 to 17 square miles. These figures are interesting, and I think put the matter in a clear light. On the same lines it is interesting to note that the average consumption of hemp drugs for the same period of 5 years, 1902-07, was bhang, 14,123 seers; ganja, 167 seers; charas, 3,730 seers, and the total duty on consumption Rs. 22,718; while in 1912-13, the figures were bhang 11,231; ganja 204; charas, 2,344, and total duty Rs. 31,505.

It will be seen from the above that if anything is to be explained it is the fluctuations rather than the increase of consumption. The figures indicate to my mind clearly that the main causes of such fluctuations are to be found in the condition of the lower or drinking classes. Agricultural and commercial depression are found to synchronize with a fall in consumption, while high labour prices and good crops are marked by a rise. It is noticeable also that the contract system was introduced in this district from April 1909. The liquor at first produced under the new system was, as you are aware, objected to on various grounds by the consumer, and was consequently at first unpopular. Improvements were introduced and a custom also had some part in overcoming the original objections with the result that the liquor is now probably as popular or nearly so as the old liquor used to be, and the growing popularity of the liquor had no doubt some effect along with the increasing prosperity of the consumers in extending the consumption.

In the city of Cawnpore the rates of wages have of course ruled high for a long time, and in the district it is getting more and more impossible to obtain agricultural labour on any terms which are considered reasonable by the landed gentry. In the neighbourhood of the new line under construction from Cawnpore to Banda these conditions have been perhaps most marked, but I have met with similar complaints all over the district.

I have consulted a number of people on the question whether drinking is spreading among classes other than those who are usually addicted to the habit. The general conclusion seems to be that though it is going on to some extent among Brahmans, Banias, Khattris, Thakurs and Muhammadans, yet the increase is probably very slight indeed ; against this is to be set the fact that the drinking is markedly decreasing among Kayasthas. It is of course true to a certain extent that old social and religious barriers are weakening ; but on the whole, I am of opinion that the habit of drinking is not spreading to any marked extent among fresh classes. One gentleman with considerable experience in educational matters informed me that some years ago a good deal of drinking used to go on in school and college boarding houses among boys who thought that it was rather a 'swagger' thing to do ; but that this has lately considerably decreased. I mention this as it may have some element of truth in it, though I may say that I have found little confirmation of this opinion.

(2) Regarding the extension of the powers and functions of the Excise Advisory Committees and the modification of their constitution, I have in accordance with instructions obtained the opinion of the Municipal Board and I submit herewith a copy of the Chairman's letter No. 688, dated 28th July 1913, with its enclosures. It will be seen that the Chairman is of opinion that little interest is taken in the matter by the majority of the members, an opinion which I fully share. My experience of the Excise Advisory Committee is that the members composing it regard its proceedings as a little more than a formality. Sir Herbert Roberts' Deputation appears to aim at a system of local option throughout the length and breadth of India not only in urban but also in rural areas. It seems to me that the time for this has certainly not yet arrived. The argument against the control by the Revenue authority of licensing appears to be based largely on ignorance of local conditions and I think that an extended knowledge would show these gentlemen that there is no real justification for the implied theory that Collectors and Excise Officers are engaged in pushing sales regardless of the interests of the consumers. Moreover, it is difficult to conceive of the selection of any other fair licensing authority. The arguments advanced disregard the great objection that the so-called representatives of the people are in no way whatever representatives of the drinking classes. The so-called representatives are generally more or less bound by hereditary prejudices to regard drinking at least outwardly with marked aversion and are thus incapable at least in their public actions of holding the balance. Committees of the kind indicated, were they given full powers to deal with the licensing question, would probably either be apathetic or set themselves to stamp out drinking altogether. I would give every opportunity to people who take an interest in the question to make enquiries and lay their views before the Collector, and I have no doubt that he would in all cases consider their views carefully and act upon them wherever

reasonable but were they given absolute power there will be a danger of that power passing into the hands of faddists.

(3) I do not consider that the number of shops in the city is excessive. Enquiries have been made by the Excise Officer as to the number of shops which could be closed in the district on the principle laid down in paragraph 20 in Government of India's Despatch No. 294 of 1908, and he reports that a certain number of shops can be closed in four out of the six tahsils on these principles. In all 16 shops could be closed out of a total of 138 in the district.

With regard to the curtailment of hours of sale it seems to me that there is no special reason for opening the shops early in the morning. 9 o'clock is quite early enough for the purpose. Closing hours should be so arranged as to give people an opportunity of purchasing a little liquor if they require it after their work is over. This hour generally depends on the time of the year, and differs to some extent in the city and in the moffussil. I do not think it would be fair to close shops in the city before 8-30 as a great many of the labourers do not get back to their homes till 7-30. In the district I am inclined to think that an hour after sunset would be a reasonable time for closing. I am further inclined to think, however, that liquor shops in the city might reasonably be closed entirely on Sundays. Sunday is generally an idle day for the mill-hands and with their week's wages in their pocket they are exposed to special temptations to waste their money on drink almost as soon as they have got it. I am told by gentlemen who have had some experience of conditions in some of the workmen's dwellings that there is a good deal of intoxication in these places on Sunday; and on the whole, I think it would be a reasonable provision to give the liquor sellers an enforced rest on that day.

(4) On the working of the auction system I have little to say. The proposal to substitute fixed fees seems to me on a par with the proposals made from time to time for the permanent settlement of the Government revenue. I see no reason to believe that the fixing of fees would discourage the natural tendency for all license-holders to make the best profit they could out of their bargain. On the other hand, Government would no doubt lose a considerable amount of revenue. It is difficult also to see how the licenses should be distributed under a system of fixed fees. Sealed tenders would not answer the purpose, because the intending licensees would certainly put in for more shops than they required and probably find themselves with either fewer or more than they desired. There would be a tendency for a class of middlemen to spring up and appropriate a great deal of the revenue which should go to Government.

(5) The last point raised deals with the selection of sites for shops. The question is a delicate one. On the one hand, it is undoubtedly undesirable to locate shops in positions which have the effect of dangling temptations before the eyes of people who would not otherwise be attracted. On the other hand, it is in my opinion most undesirable to place shops in dark and unfrequented lanes. Such shops offer subtle temptations to youths of respectable families, who would not dare to risk observation by entering shops where they were likely to be observed either going in or coming out. Moreover, such shops are not easy for the authorities to supervise. The solution of the matter seems to be to find suitable sites where the publicity is sufficient to deter members of respectable families; but at the same time, the situation should not be such as to attract the casual wayfarer or act as an advertisement for the shop.

Proceedings of the Sub-committee appointed by the Benares Municipal Board's Resolution No. 205 of 5th July 1913, held on the 1st August 1913.

Present :—

Rai A. C. Sanyal Bahadur.

Pandit Ram Narayan Misra.

Babu Shiva Prasad Gupta.

The Secretary, Municipal Board.

Read papers relating to the formation and functions of Excise Advisory Committees.

The following Resolutions were passed :—

1. The Sub-committee is of opinion that the system of Excise Advisory Committee be extended to all Municipalities.
Application.

2. In reference to Sir Herbert Roberts' suggestion that the Excise Advisory Committee might be made more representative, the Sub-committee is of opinion.

that while the numerical strength of the committee might remain as at present its constitution may be so changed that the representation of the Municipal Board might be restricted to a Vice-Chairman and one other member to be elected by the Board, and the remaining two places which under the present constitution are also required to be filled by members of the Municipal Board might be thrown open to the general public with a view to securing the appointment of representatives of local temperance organisations and other bodies. The Sub-committee recommends that these latter appointments should also be made by the Municipal Board.

3. As regards the powers of the Excise Advisory Committee the Sub-committee is of opinion that it should deal Powers. with the sale of intoxicants of every kind.

4. The Sub-committee is for want of data not in a position to recommend Reduction of shops. what further reductions in the number of shops is required. This function should belong to the Excise Advisory Committee.

5. The Sub-committee recommends that the hours of sale of all intoxicants should be from 9 A.M. to 9 P.M. As regards the closing at 9 P.M., the Sub-committee has reasons to believe that the rule is more violated than observed. It would, therefore, recommend that a stricter supervision be enforced.

6. The Sub-committee recommends that the auction system be adhered to, Sale by auction. and further recommends that liquor be not sold except in sealed bottles. As regards other intoxicating drugs the Sub-committee recommends that, as in the case of liquors sold in sealed bottles, a retail sale rate be fixed by the Advisory Committee and they be sold in sealed packets only.

Babu Shiva Prasad Gupta dissented from the opinion of the majority of the Sub-committee on the question of sale by auction. In his opinion the rate of contract for each shop should be fixed by Advisory Committee. To counteract compensation he would stop the system of sale to the highest bidder.

7. The Sub-committee is of opinion that the licensing function be not removed for the present from the control of the Licensing function. Revenue Department. It would, however, recommend that no licenses should be granted and no new shops should be opened without the sanction of the Advisory Committee. Should there be a difference of opinion between the Collector or the Excise Officer and Advisory Committee the final decision of the matter should rest with the Board of Revenue.

8. Though not constituting a special point of reference the Sub-committee is strongly of opinion that no intoxicating liquors or drugs be sold to any person under 18 years of age.



Enclosure No. 10.

No. 3614-R., dated the 2nd October 1913.

From—The HONOURABLE LIEUTENANT-COLONEL J. RAMSAY, C.S.I., C.I.E., Agent to the Governor-General and Chief Commissioner in Baluchistan,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I have the honour to invite a reference to correspondence ending with Mr. Gruning's letter No. 6583-6593-104, dated the 14th August 1913, on the subject of suggestions in relation to the Excise system of India made by the Deputation which waited on His Majesty's Secretary of State for India in July 1912.

2. In reply I have the honour to submit statements in the forms prescribed showing the consumption of and taxation realised on excisable articles in Baluchistan during each of the years 1905-06 to 1912-13 and to report as follows regarding the suggestions made by the Deputation.

3. These suggestions were :—

- " (1) That the licenses for the sale of intoxicants should be steadily reduced in number, and that the hours of sale be further limited by later opening and earlier closing hours being fixed for all licensed premises.
- " (2) That the system of Excise advisory committees be extended to all municipalities and that these committees should be made more representative and given power to deal with all licenses for the sale of intoxicants of every kind.
- " (3) That the auction system of licensing shall be superseded by a system of fixed license fees as recommended by the Government Excise Committee of Enquiry.
- " (4) That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committees or some other independent authority."

4. (1) The figures in Statements C, K and L show that the numbers of retail shops licensed for the sale of intoxicants in Baluchistan in 1905-06 and 1912-13, respectively, compare as below :—

			1905-06.		1912-13.
Country liquor	...	...	146	...	62
Intoxicating drugs	...	...	124	...	68
Opium	...	...	124	...	60

During the current year two more country liquor shops and one shop for the sale of intoxicating drugs and opium have been brought under reduction, and it is proposed to abolish six country liquor shops, twelve shops for the sale of drugs and twelve opium shops with effect from the 1st April 1914. These reductions are being effected mainly in the Zhob and Loralai districts, where the class which consumes intoxicants is small and where there is little danger of illicit manufacture or smuggling. It is not desirable to make further reductions at present in the Quetta-Pishin or Sibi districts, which contain relatively large numbers of consumers and where there is considerable risk of smuggling from Kalat and Afghanistan.

The hour for opening is at present 6 A.M. and the closing hour 10 P.M. in summer and 9-30 P.M. in winter. I am of opinion that the hours of sale might be further limited without much inconvenience, and it is proposed, therefore, with effect from the 1st April next, to fix them in the summer months from 7 A.M. to 9-30 P.M. and in the winter from 8 A.M. to 9 P.M.

(2) As previously explained, Quetta is the only municipality in Baluchistan and the only other place which may be described as a town is Sibi. A local advisory committee for Sibi consisting of three non-official and two official members was appointed in 1910.

A similar committee, comprising 4 non-official and 3 official members, has been appointed during the current year for Quetta. The question of the number and distribution of the shops in Quetta, the only town where there is any considerable number of shops, will be carefully considered in consultation with this committee. Elsewhere in Baluchistan the shops (usually single shops) are situated in small bazars, chiefly for the use of the alien Indian population. The inhabitants of such bazars are seldom persons of independent views, and take no particular interest in such questions as that of the drink traffic. There is thus no possibility at present of a further extension of the system of committees.

I do not consider that the time is yet ripe for giving the existing committees functions other than advisory.

(3) The system of auctioning licenses which has hitherto been in force is undoubtedly open to the objections that it encourages extravagant bids and gives the licensed vendors an inducement to push the sales of intoxicants. On the other hand, if still-head duties were increased and licenses issued for small fixed fees, the licensees would be less interested than they are at present in preventing the consumption of smuggled liquor and drugs, and a valuable safeguard against smuggling would be removed. The change would no doubt also tend to the establishment of vested interests. It has been suggested that in each district a list might be kept up of approved and respectable persons willing to take licensed premises in the various places where they are at present situated, and that such premises might be leased to them in alphabetical rotation for one year at a time, the fees being fixed at, or slightly below, the average of the three years preceding the introduction of the system. The system of alphabetical rotation would prevent the growth of vested interests, while the fees would remain high enough to form an inducement to the vendors to be on the watch against smuggling. The introduction of such a system would probably entail some sacrifice of growing revenue ; but, if the Government of India approve, I shall be prepared to try it as an experiment, though I do not recommend it.

(4) It would not be practicable in Baluchistan to remove the licensing function from the control of the Revenue Department. As stated above, only two local committees exist and they are as yet in their infancy ; while there is no authority independent of the Revenue Department which could be entrusted with the function of licensing.

5. The importance of preventing the location of liquor shops in undesirable localities referred to in paragraph 4 cf Mr. Enthoven's letter of the 24th January 1913, has been and will be carefully kept in view. The Quetta town is the only place where the number of shops is sufficient to make their suitable location a question of any difficulty, and in dealing with this question the advice of the local committee should be of much value.

6. The suggestion contained in paragraph 6 of Mr. Enthoven's letter has been noted for compliance.

Enclosure No. 11.

No. 8992, dated the 2nd October 1913.

From—The HONOURABLE MR. G. CARMICHAEL, C.S.I., I.C.S., Chief Secretary to the Government of Bombay,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to reply to Mr. Enthoven's letter No. 477-400-218, dated 24th January 1913, and to enclose the tabular statements therein asked for.

PRESIDENCY PROPER.

Country spirit.

2. In the period under review, *viz.*, from 1st April 1905 to 31st March 1913, an advance has been made in the following directions. The separate shop system has been extended till only a small area in the Konkan now remains under the monopoly system, and there the arrangement of exacting a minimum guarantee from the monopoly farmer has been abandoned. The auction system has been given up and the shops are disposed of by the selection of licensees. The rates of still-head duty have been raised all round, either in order to meet increases of consumption or having regard to more effective control over illicit distillation which the Excise staff have been able to enforce, or to the improvement in the Excise administration of neighbouring Native States. A substantial reduction has been effected in the number of shops and a curtailment of the hours during which they are allowed to be open. Lastly, advisory committees have been constituted in the larger municipal areas and in all rural areas where the proportion of shops to population is high.

3. The facts disclosed by the figures in the statements attached may be summarised as follows. Though the population has increased by 5·2 per cent., the total consumption of country spirit in the closing year of the period is greater by only 2·3 per cent. than in the opening year 1905-06, while the revenue has risen from 91 lakhs to 141, an increase of 55 per cent. The average consumption of country spirit in the seven years subsequent to 1905-06 is not more than 3·8 per cent. above the consumption in that year. The highest point was reached in 1910-11, since when there has been a fall sufficient to reduce the consumption per head of population below the figure for 1905-06, the decrease being from 16 gallons to 15 gallons per 100 of population. During the period under review the incidence of the total revenue per proof gallon has been gradually raised from Rs. 3-12-10 to Rs. 5-11-10, the average number of shops per 100,000 of population has been brought down from 16 to 13 and the average area served by each shop has increased from 30 to 36 square miles.

4. These results show that a steady rate of progress has been maintained in the control of traffic in liquor. The figures, however, cannot be properly appreciated without bearing in mind the points discussed in paragraphs 6 and 19 of Mr. Lucas's letter No. 1077, dated 1st February 1912. These were that in comparing the recorded consumption of one province with that of another, or in

arriving at an opinion whether the Excise policy of any province is proceeding on sufficiently progressive lines, regard must be had—

- (1) to the proportion of the total area under the distillery system;
- (2) to the amount of illicit consumption of liquor as compared with the recorded licit consumption;
- (3) to the varying force of the influences which affect the consumption of liquor in different areas;
- (4) to the need of examining the circumstances of each tract in detail, before forming any conclusions from statistics based on averages obtained by lumping together totally different areas.

Without going into too much detail it is desirable to recapitulate the facts given in Mr. Lucas's letter under the above heads.

5. With regard to the first point the policy adopted in Bombay has been to make the distillery system almost universal and not to be deterred by the great difficulties presented by the more inaccessible tracts. The area under the out-still system has thus been reduced to 1 per cent. of the total area, and {of the total population only one-tenth of 1 per cent. is under that system.

6. The second point can be dealt with only in general terms, but it is believed that the amount of illicit manufacture has in the greater part of the Bombay Presidency been brought down to a very low figure.

7. In discussing the third point a reference was made to paragraphs 66 to 71 of the Excise Committee's Report, and it was pointed out that the influences which affect consumption operate with varying force in different localities and that even the steady pressure of taxation does not always avail to counteract those influences in one locality to anything like the same extent as they do in another. A comparison in this respect was made between the cities of Madras and Bombay, the one with a consumption of 40·9 proof gallons per 1,000 of population and the other with 510 $\frac{5}{9}$ gallons. Since the letter was written the total taxation in Bombay city has been advanced from Rs. 6-10-10 to Rs. 8-10-10 per proof gallon and the consumption has fallen to 443 gallons per 1,000 of population. It would appear that the highest limit of taxation has almost been reached having regard to the tariff rate on cheap foreign liquor. These subsequent changes do not, however, affect the main argument.

8. In connection with the last point, *viz.*, the misleading nature of statistics when dissimilar areas are lumped together for the extraction of averages, the conditions affecting the various tracts in this Presidency were discussed and it was shown—

- (1) that climate and race are factors of the greatest importance in determining the consumption of liquor;
- (2) that the industrial conditions in large towns and cantonments in this Presidency are such that taxation carried to a very high point may still be accompanied by consumption of liquor that is for India comparatively high;
- (3) that facilities for the illicit manufacture and for obtaining cheap liquor from neighbouring States, whose Excise arrangements are imperfect, must be taken into account in deciding how far the limit of taxation may safely be raised and restrictions imposed on the traffic in liquor. The result of the examination of the various tracts in this Presidency was summarised in paragraph 16, which

for ready reference I am to reproduce with figures for the latest year available, i.e., for 1912-13 :—

Group.			Incidence of taxation per proof gallon.	Consumption in proof gallons per 1,000 of population.
			Rs. A. P.	
I.—Deccan and Karnatak—Rural	...	...	6 10 5	44·2
II.—North Gujarat—Rural	...	...	3 1 1	64·8
III.—Ratnagiri and Kanara coast	...	...	1 14 10	80·7
IV.—Nasik—Khandesh—Rural	...	...	4 15 8	182·8
V.—North Gujarat City	...	...	5 7 7	211
VI.—South Gujarat and North Konkan—Rural	...	...	4 8 2	290·6
VII.—Deccan and Karnatak—Urban	...	...	7 2 8	479·9
VIII.—Bombay	...	...	8 10 10	443·9
IX.—Nasik—Khandesh—Urban	...	...	5 14 0	425
X.—South Gujarat and North Konkan—Urban	...	...	5 10 1	649·5

I.—High taxation and low consumption. A naturally abstemious people and no great difficulties from illicit manufacture and import.

II.—Low taxation and moderate consumption. The recorded consumption is much below the real, and difficulties from illicit manufacture and import are very great.

III.—Very low taxation and fair consumption. Difficulties from illicit manufacture and import extreme ; real consumption much above the recorded ; a people naturally addicted to liquor.

IV.—Fairly high taxation, high consumption. People much given to drinking ; many facilities for illicit manufacture and some for illicit import ; total consumption greater than recorded, but illicit consumption much diminished.

V.—Fairly high taxation, high consumption. A manufacturing city, with conditions as under II.

VI.—Moderate taxation and very high consumption. Total consumption is still higher, much illicit ; conditions as under IV, only more pronounced.

VII, VIII, IX and X.—Consumption excessive. Probably none unrecorded. Taxation, though carried high, does not avail to counteract drinking habit due to race, climate and occupation.

Group I—(high taxation and low consumption)						
comprises ...	...	...	40 per cent. of the population.			
Groups II and III—(low taxation and low consumption)	comprise	...	20	"	"	"
Groups IV and VI—(high taxation and high consumption)	comprise	...	28	"	"	"
Groups V, VII, VIII, IX and X—(urban areas)	comprise	...	12	"	"	"

Toddy.

9. The number of shops has increased from 1,641 to 2,872 and the revenue from 17 to 20 lakhs. The increase has been permitted in accordance with the policy of encouraging the consumption of this less intoxicating drink at the expense of country spirit.

Hemp drugs and opium.

10. The consumption of hemp drugs has risen from 339 to 398 seers per 100,000 of population and the taxation thereon has increased by 45 per cent. The consumption of opium is now 275 seers per 100,000 of population as against 230 in 1905-06 and the revenue has risen by 104 per cent. On both these drugs further increases of taxation have been ordered in the current year. The use of these intoxicants and also of illicit supplies of cocaine is a factor that cannot be ignored in considering the restrictions to be placed on the consumption of liquor.

SIND.

Country spirit.

11. The statistics for the province of Sind disclose the following facts. Against an increase of 9·4 per cent. on the population, the total consumption of country spirit was higher by 15 per cent. in 1912-13 than in 1905-06, while the revenue increased by no less than 46·4 per cent. As the consumption per 100 of population increased by only 3 gallons, that is from 5·7 gallons to 6, the greater part of the increase in revenue is due to the rise in the total taxation from Rs. 5·4 to Rs. 6·10 per proof gallon. The number of shops has fallen from 9 to 7 per 100,000 of population and the average area served by one shop has increased from 161 to 191 square miles.

Toddy.

12. The consumption of toddy is insignificant and the statistics under this head call for no remark.

Hemp drugs.

13. In Sind, the consumption of hemp drugs is an item of more importance than in the Presidency proper. The figures show a large consumption, but, on the other hand, do not discriminate between ganja, the more deleterious drug, and bhang which is largely used in Sind for the concoction of a mildly stimulating drink. The number of shops has been reduced by 21 per cent.; the incidence of taxation per seer has doubled; the total revenue has increased by 63 per cent., while the consumption per head has fallen by about 22 per cent.

Opium.

14. The consumption per head of opium in 1912-13 was practically the same as in 1905-06, but the revenue has risen by 50 per cent.

15. In Sind, the same policy has been followed as in the Presidency proper and, though the province embraces very backward tracts like Kohistan and the Desert, which present great difficulties in the matter of Excise administration, the whole area has been brought under the distillery system. Illicit distillation is rare, but there are certain factors which set limits to the increase of taxation and to the imposition of restrictions on the traffic in country spirit. The province along almost the whole of its landward frontier borders upon Native States from which in the past liquor used to be smuggled in large quantities. This smuggling has been reduced but has not ceased, and excessive taxation and restrictions in British territory would lead to its immediate recrudescence. The Hindu population which, if small, is well-to-do and is less restricted by caste rules as to food and drink than elsewhere, show a tendency to resort to the consumption of cheap foreign liquor, and this tendency would no doubt be fostered by further enhancements of the tax on country liquor. Lastly, Sind is very much exposed to the smuggling of hemp drugs which would probably increase if country spirit were made too dear and difficult to obtain.

16. The province as a whole is singularly homogeneous as regards its natural features and the constitution of its population, so that in the matter of incidence of Excise taxation and of the relation of such taxation to the consumption of liquor, the consideration of it as a whole is perhaps not unfair, though the figures for the large towns of Karachi and Hyderabad are much above the general average. As compared with six gallons per 100 of population for the province as a whole, the consumption in Karachi and in Hyderabad is 50 gallons per 100. These high figures are doubtless due to the fact that it is in these towns that the Hindu population, many of whom take liquor freely, chiefly congregate. In Karachi too there is a large mixed population and wages are exceptionally high.

17. With regard to the proposal that the system of local advisory committees should be extended and that the powers and functions of these bodies should be extended, I am to submit the following remarks. In 1908, advisory committees were constituted for the larger municipal towns, that is, for those with a population of 20,000 and over. Having regard to the experience gained of the working of these

* Copy enclosed.

committees, Government decided in their

Resolution No. 584*, dated 21st January

1913, that the system should be extended to the municipal town of Ratnagiri and to those rural areas which have a high incidence of consumption and an average of more than one country spirit shop per 6,000 of population. These new committees have been so constituted as to give representation upon them to the smaller municipalities that are included which have no separate committees of their own. The question having come under close examination so recently, the Governor in Council does not consider that any further extension of the system can be undertaken with advantage at present.

18. There is not the least objection to the hemp drug and opium shops being brought within the purview of these committees.

19. The proposal that the licensing function should be removed from the control of the Revenue Department and placed in the hands of the committees or of some other independent authority is not one to which the Governor in Council can give any countenance. It seems to be based on a misapprehension of the term Revenue Department and of the duties of a Revenue officer. It is perhaps hardly necessary to allude to the fact that the term Revenue Department is used merely as a convenient phrase and that the officers of the Revenue Department who grant licenses are the officers who are responsible for the good administration of the country. It is unfortunate that their functions should have been compared with those of Inland Revenue Collectors and land valuers in England. In Bombay, the officer who is primarily responsible for the regulation of the liquor traffic is the Collector and the District Magistrate of the district.

20. The case against Government divesting itself of the control of the licensing functions, and the dangers of entrusting that function to local committees, have been clearly stated in paragraphs 23 and 24 of the Government of India's despatch No. 293, dated 5th October 1905. The position has not materially changed since that despatch was written and the Governor in Council does not think it necessary to set forth the arguments again. Adequate progress is being made under the present arrangement and there is a fair hope of success from the policy now being pursued than from the adoption of a series of drastic measures that are certain to lead to disorganization, bad discipline and the discontent. The Governor in Council, therefore, considers that the existing system should remain, as at present, advisory bodies and is not in favour of giving a numerical majority upon them, as that would result at time in the Collector being placed in a very invidious position.

21. As has been noted, a substantial reduction has been effected in the number of country spirit shops in the Presidency proper. The feasibility of still further reductions is being considered, and it is expected that it will be possible to close a certain number of shops before the licensees are granted for the coming year. In this connection the local committees, especially constituted for this object, are likely to give valuable advice.

22. The number of country spirit shops in Sind has been reduced from 252 in 1905-06 to 249 in 1912-13. Considering the area and population of the province there is no great scope for further reduction, but the matter continues to receive careful attention.

23. On the question of the curtailment of hours of sale, I am to say that the local committees were consulted on the matter and their proposals varied from 7 A.M. to 10.30 A.M. as the opening hour and from 7 P.M. to 9.30 P.M. as the closing hour. After carefully considering their views, Government fixed 8 A.M. (standard time) as the opening hour and 9 P.M. for closing for country spirit shops, but directed that where a committee had proposed an earlier closing hour that hour should be adopted provided that it was not earlier than 8 P.M. The question is being further examined; but in the circumstances there is not much scope for any further curtailment of hours in the Presidency proper. For toddy shops the closing hour is the same as for country spirit shops; but in order to encourage the consumption of toddy when it is least intoxicating, that is, when it is freshly drawn, the opening hour has been fixed at 6.30 A.M.

24. The hours during which liquor shops are permitted to be open in Sind are—

Country spirit shops,	{	sunrise to 10 P.M. in winter.
,,		to 11 P.M. in summer.

Foreign liquor shops, 8 A.M. to 10 P.M.

A suggestion made by the Government of India in their letter No. 3207-Exc., dated 24th June 1909, that these hours should be curtailed, was not accepted. It must be remembered that the situation of Sind makes standard time appear much later than it really is, 10 P.M., standard time being practically the same as 9 P.M. local time. Moreover, the heat of Sind makes the people take their meals and generally end the day later than in other parts of India. The Commissioner in Sind sees no grave objection now to 10 P.M. (standard time) being adopted as the closing hour for every description of shop. He will be requested to consider the question of fixing a later hour for the opening of shops.

25. The disposal of licenses on the fixed fee system was introduced generally from 1st April 1912. It is perhaps too early to generalize as to the success of the system and there has not been time enough to discover whether it has any inherent defects; but so far there is an almost unanimous consensus of opinion among district officers that the change from unrestricted auction has resulted in a noticeable improvement in the management of the liquor traffic. A better class of licensee is being obtained and the malpractices among them are diminishing.

Excise.

Extension to rural areas of the system of local advisory committees to deal with questions regarding the number and location of liquor shops in the Presidency proper.

No. 584.

REVENUE DEPARTMENT.

Bombay Castle, 21st January 1913.

Government memorandum* to the Commissioner of Customs, Salt, Opium and A'bkári, No. 2874, dated 22nd March 1911.

Letter* from the Commissioner of Customs, Salt, Opium and A'bkári, No. 6477, dated 16th September 1911.

Government memorandum* to the Commissioner of Customs, Salt, Opium and A'bkári, No. 10947, dated 20th November 1911.

Memorandum* from the Commissioner of Customs, Salt, Opium and A'bkári, No. 2075, dated 23rd March 1912.

Government memorandum* to the Commissioner of Customs, Salt, Opium and A'bkári, No. 3952, dated 24th April 1912.

Memorandum* from the Commissioner of Customs, Salt, Opium and A'bkári, No. 5869, dated 7th August 1912.

RESOLUTION.—Of the towns specified in Statement No. I* accompanying the Commissioner's memorandum No. 5869,* dated 7th August 1912, the only one that in the opinion of Government should have a separate committee is Ratnágiri.

2. As regards rural areas, the Governor in Council considers that the experiment of appointing advisory committees should be taken up only in those tálukas which have a high incidence of consumption and give an average of more than one country spirit shop per 6,000 of population. These conditions are fulfilled in the districts of Surat and Thána and in certain tálukas of the districts of Broach, Panch Maháls, West Khándesh and Kolába, but the Panch Maháls must be excluded from consideration as the conditions there do not admit of the establishment of advisory committees. Local committees should accordingly be appointed in the town of Ratnágiri and in each of the following tálukas :—

District.	Tálukas.
Broach ...	... { 1. Ankleshwar. 2. Hánson. 1. Chorási. 2. Olpád. 3. Bárdoli, including Válod. 4. Jalálpur. 5. Chikhli. 6. Bulsár. 7. Párdi. 8. Mándvi. 1. Sálsette. 2. Bassein. 3. Máhim. 4. Dáhánu and Umbergaon Petha. 5. Kalyán. 6. Bhiwndi. 7. Murbád. 8. Sháhpur. 9. Váda, excluding Mokháda Petha. 1. Nandurbár. 2. Sákri. 3. Taloda. 4. Sháháda. 5. Shirpur. 6. Navápur Petha. 1. Alibág. 2. Pen. 3. Panvel. 4. Karjat. 5. Roha.
Surat ...	... { 1. Chorási. 2. Ránder. 3. Bárdoli, including Válod. 4. Jalálpur. 5. Chikhli. 6. Bulsár. 7. Párdi. 8. Mándvi. 1. Sálsette. 2. Bassein. 3. Máhim. 4. Dáhánu and Umbergaon Petha. 5. Kalyán. 6. Bhiwndi. 7. Murbád. 8. Sháhpur. 9. Váda, excluding Mokháda Petha. 1. Nandurbár. 2. Sákri. 3. Taloda. 4. Sháháda. 5. Shirpur. 6. Navápur Petha. 1. Alibág. 2. Pen. 3. Panvel. 4. Karjat. 5. Roha.
Thána ...	... { 1. Chorási. 2. Ránder. 3. Bárdoli, including Válod. 4. Jalálpur. 5. Chikhli. 6. Bulsár. 7. Párdi. 8. Mándvi. 1. Sálsette. 2. Bassein. 3. Máhim. 4. Dáhánu and Umbergaon Petha. 5. Kalyán. 6. Bhiwndi. 7. Murbád. 8. Sháhpur. 9. Váda, excluding Mokháda Petha. 1. Nandurbár. 2. Sákri. 3. Taloda. 4. Sháháda. 5. Shirpur. 6. Navápur Petha. 1. Alibág. 2. Pen. 3. Panvel. 4. Karjat. 5. Roha.
West Khándesh	... { 1. Chorási. 2. Ránder. 3. Bárdoli, including Válod. 4. Jalálpur. 5. Chikhli. 6. Bulsár. 7. Párdi. 8. Mándvi. 1. Sálsette. 2. Bassein. 3. Máhim. 4. Dáhánu and Umbergaon Petha. 5. Kalyán. 6. Bhiwndi. 7. Murbád. 8. Sháhpur. 9. Váda, excluding Mokháda Petha. 1. Nandurbár. 2. Sákri. 3. Taloda. 4. Sháháda. 5. Shirpur. 6. Navápur Petha. 1. Alibág. 2. Pen. 3. Panvel. 4. Karjat. 5. Roha.
Kolába ...	... { 1. Chorási. 2. Ránder. 3. Bárdoli, including Válod. 4. Jalálpur. 5. Chikhli. 6. Bulsár. 7. Párdi. 8. Mándvi. 1. Sálsette. 2. Bassein. 3. Máhim. 4. Dáhánu and Umbergaon Petha. 5. Kalyán. 6. Bhiwndi. 7. Murbád. 8. Sháhpur. 9. Váda, excluding Mokháda Petha. 1. Nandurbár. 2. Sákri. 3. Taloda. 4. Sháháda. 5. Shirpur. 6. Navápur Petha. 1. Alibág. 2. Pen. 3. Panvel. 4. Karjat. 5. Roha.

* Printed as an accompaniment to this Resolution.

3. As regards the constitution of the committees, the principles enunciated in paragraph 4 of Government Resolution No. 10429, dated 13th October 1908, should be borne in mind. The committees should be constituted as follows :—

Ratnágiri ...	The Collector. The Assistant Collector or District Deputy Collector in charge of the taluka. The District Superintendent of Police. Two* non-official members.
Táluka committees ...	The Collector. The Assistant Collector or District Deputy Collector in charge of the taluka. The District Superintendent of Police. The Māmlatdár. Three members representing the taluka Local Board and each Municipality within the taluka which has not an advisory committee of its own.

* The two non-official members should ordinarily be non-official members of the Ratnágiri Municipality elected from amongst themselves by such members.

The Commissioner should notify the appointment of the committees in accordance with the orders stated above.

4. The attention of the Collectors concerned should be invited to paragraph 7 of Government Resolution No. 10429, dated 13th October 1908, paragraph 1 of Government Resolution No. 1834, dated 20th February 1909, and to the orders contained in Government Resolution No. 5940, dated 1st July 1910, and they should be requested to instruct the committees now appointed to adjust the number of liquor shops in their respective areas so as to secure gradually a scale not exceeding one shop to every 6,000 people, due regard being had to geographical distribution, which in some cases may require a larger proportion.

5. The attention of the Commissioner of Customs, Salt, Opium and A'bkrá, should be invited to Government Resolution No. 568, dated 19th January 1909, and paragraph 2 of Government Resolution No. 1834, dated 20th February 1909, and he should be requested to carry out the instructions contained therein in respect of the committees appointed under these orders.

C. W. A. TURNER,

Under Secretary to Government.

To

The Commissioner in Sind,
 The Commissioner of Customs, Salt, Opium and A'bkrá,
 The Commissioner, N. D.,
 The Commissioner, C. D.,
 The Commissioner, S. D.,
 The Collector of Bombay,
 The Collector of Salt Revenue, Bombay,
 All Collectors in the Presidency proper,
 The Inspector General of Police,
 The Deputy Inspector General of Police, Northern Range,
 The Deputy Inspector General of Police, Southern Range,
 All District Superintendents of Police in the Presidency proper,
 The General Officer Commanding, 5th (Mhow) Division,
 The General Officer Commanding, 6th (Poona) Division,
 The Assistant Commissioner of Salt, Excise and Opium in Sind,
 The Judicial Department of the Secretariat,
 The General Department of the Secretariat.

Accompaniments to Government Resolution, Revenue Department, No. 584, dated 21st January 1913.

REVENUE DEPARTMENT.

No. 2874, dated 22nd March 1911.

The undersigned presents compliments to the Commissioner of Customs, Salt, Opium and A'bkári, and is directed to invite his attention to paragraph 3 of Government Resolution No. 10429, dated 13th October 1908, regarding the constitution of local committees, in which it was observed that the working of the system in larger towns should first be watched and that from the experience gained materials might be expected to be available on which to form an opinion whether a committee for each táluka or a separate committee for each small town would be of real service. Government consider that the experience gained of the working of the committees in larger towns justifies the extension of the system to rural areas. The Commissioner is accordingly requested to submit proposals to that effect.

R. D. BELL,

Under Secretary to Government.

No. 6477, dated 16th September 1911.

To—The Chief Secretary to Government, Revenue Department.

Sir,

With reference to Mr. Bell's memorandum No. 2874, dated the 22nd March 1911, I have the honour to submit the following remarks and proposals regarding the extension to rural areas of the system of local advisory committees to deal with questions regarding the number and location of liquor shops.

2. At the outset, I desire to point out that the expression "rural areas" has not been explained in the orders above cited, and it is not quite clear whether it is or is not intended to exclude small towns from the local areas for which committees are to be proposed. For the purpose of my reference to the Collectors I defined the term "rural areas" as including tálukas or portions of tálukas, as well as small towns with populations less than 20,000.

3. I have the honour further to remark that I do not understand from the orders under reference whether Government have finally decided that the committee system shall be forthwith extended to all rural areas in the Presidency regardless of varying local conditions or whether they desire that I should use my discretion to discriminate in respect of those conditions and to submit proposals for those areas only in which, in my opinion, the establishment of such committees will serve a useful purpose. I would myself deprecate the immediate and universal introduction of these committees throughout the whole of the Presidency, and I venture to think that the intention of the order of Government is to procure the submission of proposals framed in a spirit of reasonable discrimination, due regard being had to the circumstances of the local areas concerned.

4. These remarks are necessary because of the replies which I have received from the Collectors. The first reference I made to them was treated by the majority of them as implying that the question whether or not these

committees should be appointed was no longer an open one. The result was that while the Collectors of six districts* reported that for various reasons, to

which I will allude below, they were not in favour of any addition to the numbers of committees which have already been appointed, the Collectors of the remaining thirteen districts submitted proposals, some for a committee in every táluka, some for committees in selected tálukas : others recommended committees in

* Ahmedabad,
Kaira,
Panch Mahals,

Poona,
Ahmednagar,
Belgaum.

small towns only, and a few were in favour of introducing them in both towns and sálukas. As it seemed to me that some of the proposals were on too extensive a scale and had perhaps been submitted under the impression that Government had already decided on the introduction of the committee system in all the rural areas of the Presidency, I addressed a further reference to the Collectors of the thirteen districts, in which I asked them whether they were satisfied that each of the committees proposed by them would serve a useful purpose or whether their proposals had been made on the understanding that the question of appointing such committees was no longer an open one. I pointed out that in some of the cases in which táluka advisory committees had been proposed there would be practically nothing for the committees to do owing to the smallness of the number of shops within the area. I added that there were also instances in which, as it seemed to me, it would be found that lack of interest and want of acquaintance with parts of the táluka distant from their homes would render almost valueless the opinion of the unofficial members. Lastly, as regards the smaller towns in respect of which proposals were made, I brought to the notice of the Collectors that in some of them the number of shops is only one or two, and I asked them to state their reasons for holding it to be desirable that in such places committees should be appointed. The result of this second reference was that eight out of

² Broach,
Surat,
Kolába,

West Khāndesh,
Ratnágiri.

the thirteen Collectors addressed withdrew all their recommendations for the appointment of committees, leaving five districts* only in which the Collectors are

of opinion that these committees will serve a useful purpose.

5. I should like now, before proceeding to submit my own proposals for the various districts of the Presidency, to state briefly, and on the assumption that the orders of Government are not intended to lay down a hard and fast rule for the universal introduction of the committee system in all rural areas, my own views in regard to the extension of that system beyond the larger towns. To me it appears that the principle underlying the system as worked in urban areas is altogether different from that on which the extension to rural areas would be based. I take it that by establishing in towns advisory committees of which some of the members are non-officials, we are applying what is known as "local option", which, as I understand it, means the right of the inhabitants of the local area concerned, through representatives on the committee, to have their say in respect of the number and location of liquor shops, the traffic in connection with which affects them personally in consequence of the intemperance or disorderliness which results from the existence of these shops. The persons who exercise the right of local option must then be persons who are residents of the local area in which the shops are situated, and the area must not be so large that the residents of any portion of it are so far distant from the shops concerned that the liquor traffic at those shops is a matter which in no wise affects them personally. Applying this to the case now under reference, it seems to me that while there are good reasons for extending the committee system to towns smaller than those in which such committees have already been appointed, it is not easy to see why committees should be established in rural areas so large as tálukas. The non-official members who would be selected—leaving out of sight the fact that they would in no appreciable measure be representatives of the whole body of inhabitants of the táluka—could certainly not, in my opinion, claim any right to interfere in the affairs of villages situated often at very great distances from those in which they themselves reside. To my mind there would be nothing of "local option" in this. It may be said that there is no reason why the Collector should not have the advice of two or three non-official residents of the táluka when he is considering questions relating to liquor shops situated therein, and this is of course true. It is, however, open to the Collector to consult any one he chooses, and, as a matter of fact, the advice of local non-officials is, I believe, frequently obtained by Collectors. The ordinary villageman who becomes member of a Táluka Local Board is not conspicuous for the interest he takes in affairs which have but little concern with him personally, nor is he possessed of much public spirit. I doubt whether his advice in the matter of liquor shops would be of any use to the Collector, and, as I have said before, I cannot see that he has any claim whatever to interfere in the affairs of villages other than his own under the plea of "local option." For these reasons, I am not in favour of the constitution of advisory

committees for tálukas, or, as suggested by the Collector of West Khandesh, for sub-divisions of a district.

6. As regards small towns, I am of opinion that committees would be useful only where the number of liquor shops is so large or the drink habit is so much on the increase that there is room for the supposition that a reduction in the number or a refusal to add to them is, or may in the near future be, desirable. I can see no utility in appointing committees in towns or villages the number of shops in which is obviously not in excess of the legitimate requirements of the local population. The question of grouping villages for the purpose of these committees has not been alluded to by any of the Collectors. Such an arrangement, if the area were kept small enough, would be in accordance with the principle of local option, but the number of committees would be very large and there would be practical difficulties in working them. So for the present, I am not prepared to make any recommendation in favour of committees for groups of villages.

7. In view of the above considerations then, but looking also to the fact that it is the desire of Government to extend the system wherever its introduction may be found useful, I propose to confine myself to recommending the appointment of advisory committees only in (a) towns in which there are three or more liquor shops and (b) tálukas in districts in which the Collectors have proposed them and in other districts in which it may be thought desirable to try the experiment.

8. I will now deal with each district separately.

Northern Division.

Ahmedabad.—Outside Ahmedabad City there is no town with more than two shops and Viramgám is the only town which has two. As regards rural areas, the Collector is strongly of opinion that committees would be useless as the non-officials would know nothing about any localities except their own and would not trouble to visit other villages to make enquiries. There are only 47 shops in the whole district, or one to every 17,000 of the population. Mr. Painter deprecates any extension of the system in the Ahmedabad District, and I would venture to support him.

Kaira.—In this district the committee system has not yet been introduced at all, and the Collector (Mr. Chuckerbutty) considers that there is no necessity for appointing committees now. There are only four towns in which there are more liquor shops than one. Nadiád alone has three. I would propose the appointment of a committee in Nadiád.

Panch Maháls.—In this backward district it would appear from the Collector's report that no interest is taken in the liquor-shop question. The advisory committee which has been appointed for the head-quarter town has not been a success. It was found difficult to persuade the members to attend a meeting, and when they attended they had no opinions to offer. Any extension of the system in this district seems uncalled for.

Broach.—The Collector (Mr. Rothfeld) expresses himself favourably as to the utility of these advisory committees and proposes one for each táluka town and one for each táluka. This is a proposal which, for reasons already stated, I am unable to endorse. I would recommend the appointment of a committee in each town in which there are three or more shops, and experimentally in one táluka in each sub-division.

Surat.—Mr. Henderson proposed the extension of the system to all the tálukas of the district. Mr. Anderson, who dealt with my second reference, considers the committees useless but harmless, and supports Mr. Henderson's proposal, but would exclude all officials from the committees. Here again, I would recommend that the system be extended to all towns with more than two shops and to one táluka in each sub-division to be selected by the Collector. Surat is a heavy drinking district, and if the formation of committees rouses an interest in temperance some good may result.

Thána.—The Collector, Mr. Moysey, reported that town committees would have no work to do as there is no large number of shops in any town. He proposed the appointment of táluka committees in Sálsette, Bassein and Máhim.

On receipt of my second reference, Mr. Henderson expressed his opinion that none of the committees would be useful. I now have the honour to recommend their appointment in the towns of Bassein, Kalyán, Kurla, Agáshi, Máhim and Bhiwndi, in each of which there are three or more shops, and, as an experiment, in the three tálukas of Sálsette, Bassein and Máhim. In this district also there is a large consumption of liquor.

Central Division.

Ahmednagar.—Outside the head-quarters of the district (including the cantonment) there are only 15 shops in this large district. The Collector reports that the joint excise committee appointed for the City, Cantonment and Bhingár Municipality have not met since 1909. He considers that there is no need for any more committees and I agree with him.

East Khāndesh.—In reply to my first reference the Collector submitted a proposal for appointing committees in 10 tálukas and 3 pethas. He made no recommendation in respect of small towns, and his proposals were not accompanied by any remarks. My second reference drew from him an opinion to the effect that the committees would be absolutely useless and that the non-official members would probably refuse to work for fear of offending the drinking public. He added that the recommendations, if made by the committee, would probably not be sound as "there are few men here who really take an intelligent interest in public affairs". In the circumstances, I can only recommend that the experiment of appointing these committees be tried in the small towns which have three or more shops, and in three selected tálukas. The number of shops in the district is very large, as is also the consumption of liquor.

West Khāndesh.—Mr. Bomanji first proposed a committee for each táluka, but he is evidently not much impressed with the utility of the system. In reply to my second reference he advocates sub-divisional instead of táluka committees. He remarks that there is a tendency to resent the non-acceptance of the committee's advice even though it is thoroughly gone into and found unsuitable, and that the same matters are brought up time after time. For reasons which I have stated above, I disapprove entirely of committees for areas so large as a sub-division of a district. I would recommend here the adoption of the general rule I have suggested, *viz.*, a committee for each town with three or more shops and two selected tálukas.

Nasik.—Mr. Garrett proposed committees for three municipal towns and each táluka. He is of opinion, however, that non-official members in rural areas would not have much weight as they take little interest in villages at a distance from their own. Mr. Maconochie is entirely opposed to the appointment of these committees. Here again, I would follow the general rule which I have proposed.

Poona.—Mr. Swifte, following the opinion of Mr. Carmichael, who considered this question some time ago, is of opinion that no more committees are required. Outside Poona City and Cantonment there is no town with more than one shop and there are, on the average, only four shops to each táluka. I do not recommend the appointment of any more committees in this district.

Sátárā.—The Collector proposes one committee for each municipal town and none for rural areas. He does not think any extension of the system is necessary, but the committees are harmless. In this district there is only one country liquor shop to every 21,000 people, and in the Tásgaon Táluka, for instance, there is only one shop to 90,000 people. No rural area committees can be recommended, but town committees might be appointed where there are more than two shops in one place.

Sholápur.—On the assumption that Government had decided on the appointment of a committee for every small town and area, the Collector proposed one for each municipality and each táluka. Subsequently, Mr. Hatch reported his opinion that the practical utility of the committees will be *nil*. There are only three towns in the district with more than two shops (including toddy shops), and there are only 22 shops in the whole district, or an average of about 3 to each táluka. I would recommend committees for Bársi and Pandharpur towns only.

Southern Division.

Belgaum.—The Collector reports that the shops in this district are scattered and that there is no need for any extension of the system. There are, however, 100 shops in the district, or one to about every 10,000 of the population. I would recommend an advisory committee being appointed in all towns with three or more shops, and in one taluka in each sub-division, to be selected by the Collector.

Bijápur.—The Collector at first proposed committees in the three municipal towns and in three of the talukas. He subsequently expressed the opinion that no committee is required beyond that for the head-quarter town and that committees elsewhere would be useless except possibly for their educational effect. There are 66 shops altogether in the district. I would recommend committees for the towns with three or more shops and for one taluka in each sub-division.

Dhárwár has 119 shops. The Collector reports that no interest is taken in local option and that no advice has as yet been received from the Gadag committee, already established. Unless Government have decided on the appointment of committees in all rural areas, he does not recommend that any should be set up in the Dhárwár District. I think the general rule I have suggested may be followed in this case.

Kánara.—The Collector says that for general reasons similar to those I have already stated committees for talukas would be useless, and he at first submits proposals for all towns only. In reply to my second reference he withdraws all his recommendations except that in respect of Kárwár. Here again, I would apply my general rule.

Kolába has a fairly large number of shops. The Collector makes no proposals for towns, but asks for committees in two talukas. I would make the same recommendations as for Kánara.

Ratnágiri.—Here, again, the number of shops is very considerable. The Collector sees no need for committees, but recommends that they may be given a trial in each taluka. I would recommend the adoption of my general rule in this district also.

The proposals which I have the honour to make may be summed up as follows :—

A committee for each town in which there are three or more shops, and for one taluka in each sub-division :—

Broach.	Belgaum.
Surat.	Bijápur.
Thána.	Dhárwár.
East Khándesh.	Kánara.
West Khándesh.	Kolába.
Násik.	Ratnágiri.
Sholápur.	

In the Kaira District, a committee for the town of Nadiád: in Sátára District a committee for each town with three or more shops: and in the following districts no addition to the present committees :—

Ahmedabad, Panch Maháls.	Ahmednagar, and Poona.
-----------------------------	---------------------------

9. As regards the constitution of these advisory committees, I have the honour to recommend that the matter may be left to the Collectors, with an intimation that, ordinarily, each committee should have five members, of whom two should always be non-officials.

I have, etc.,

H. O. QUIN,

Acting Commissioner of Customs, Salt, Opium and A'bkári.

REVENUE DEPARTMENT.

No. 10947, dated 20th November 1911.

The undersigned presents compliments to the Commissioner of Customs, Salt, Opium and A'bkári, and, with reference to his letter No. 6477, dated 16th September 1911, regarding the extension to rural areas of the system of local advisory committees to deal with questions relating to the number and location of liquor shops, is directed to state that Government are prepared to regard favourably the institution of an advisory committee in each municipal town of 10,000 population or over, in which the population per country spirit shop is less than 4,000. The Commissioner is accordingly requested to submit a list of municipal towns in which the population, according to the Census of 1911, is not less than 10,000, and the number of country spirit shops is not less than 3, together with their population and number of country spirit shops, and to report whether in any case there are special or local circumstances which render inadvisable the institution of an advisory committee in that town. He is also authorized to include in the list any municipal town of not less than 10,000 population in which the number of country spirit shops is less than 3, if in that town there are shops for the retail vend of other liquor at the rate of 1 per 3,000 or less of population.

2. The Commissioner is further requested to submit a list of talukas in which the number of liquor shops of all kinds is more than 1 per 6,000 of population, giving the population and the number of shops of each kind. From the figures should be excluded those for the towns which already have advisory committees, or are included in the list of towns to be submitted under the preceding paragraph.

R. D. BELL,

Under Secretary to Government.

No. 2075, dated 23rd March 1912.

The Commissioner of Customs, Salt, Opium and A'bkári, returns compliments to the Under Secretary to Government in the Revenue Department, and, with reference to Mr. Bell's memorandum No. 10947, dated the 20th November 1911, has the honour to enquire whether he is correct in assuming—

- (1) that the expression "liquor shops" as used in paragraph 2 of the memorandum does not include shops for the sale of toddy only, and
- (2) that such shops are not to be reckoned among those for the retail vend of liquor other than country spirits, for purpose of carrying out the instructions contained in the last sentence of paragraph 1 of the memorandum.

H. O. QUIN,

Commissioner of Customs, Salt, Opium and A'bkári.

REVENUE DEPARTMENT.

No. 3952, dated 24th April 1912.

The undersigned presents compliments to the Commissioner of Customs, Salt, Opium and A'bkári, and, with reference to his memorandum No. 2075, dated 23rd March 1912, is directed to state that in the information called for in the last sentence of paragraph 1 and paragraph 2 of Government memorandum No. 10947, dated 20th November 1911, toddy shops should not be excluded from consideration.

R. D. BELL,

Under Secretary to Government.

No. 5869, dated 7th August 1912.

The Commissioner of Customs, Salt, Opium and A'bkári, returns compliments to the Under Secretary to Government, Revenue Department, and, with reference to Mr. Bell's memoranda No. 10947, dated the 20th November 1911, and No. 3952, dated 24th April 1912, has the honour to enclose two lists giving the information required by Government in connection with the extension to rural areas of the system of local advisory committees to deal with questions relating to the number and location of liquor shops.

2. In the districts noted in the margin none of the tálukas or municipal towns satisfies the conditions mentioned in Government memorandum No. 10947, referred to above.

Ahmedabad.
Kaira.
Ahmednagar.
Násik.

Poona.
Sátara.
Sholápur.
Bijápur.

3. As regards the municipal town of Ankleshwar (Broach District) the Collector reports that there are no special circumstances which render the appointment of an advisory committee inexpedient. For the municipal towns of Bulsár (Surat District) and Nandurbár (West Khándesh District) the Collectors concerned consider the institution of such committees unnecessary, but there would seem to be no special reason why their establishment would be inexpedient.

4. As regards the tálukas in which the number of liquor shops of all kinds is more than one per 6,000 of population, the Collector of the Panch Maháls is of opinion that his district is not sufficiently advanced to take any interest in the matter of committees and that it is, therefore, premature to establish them for rural areas in the district. The Collector of Surat also strongly deprecates for the present the institution of advisory committees for any of the tálukas in his district.

H. O. QUIN,

Commissioner of Customs, Salt, Opium and A'bkári.

I.

List of Municipal towns with population of 10,000 or over in which Advisory Committees are to be instituted.

Serial No.	Name of Town.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy including tree-foot booths.	
<i>Broach District.</i>						
1	Ankleshwar ...	11,344	2	1	2	
<i>Surat District.</i>						
1	Bulsár ...	13,082	3	1	6	
<i>Thána District.</i>						
1	Kurla ...	15,081	3	1	4	
2	Kalyán ...	11,386	4	1	5	
3	Bhiwndi ...	13,292	3	1	...	
<i>East Khándesh District.</i>						
1	Bhusával ...	15,272	2	4*	1	*Includes two refreshment rooms.
<i>Kanara District.</i>						
1	Kárwár ...	18,164	3	1	10	
<i>Ratnágiri District.</i>						
1	Ratnágiri ...	15,858	6	2	23	
2	Chiplun ...	10,504	3	1	...	

II.

List of talukas in which the number of liquor shops of all kinds is more than one per 6,000 of population.

Serial No.	Name of Taluka.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy including tree-foot booths.	
<i>Broach District.</i>						
1	Ankleshwar ...	33,739	10	...	41	
2	Hánsot ...	23,848	5	...	13	
<i>Panch Maháls District.</i>						
1	Kálol ...	43,865	8	...	...
2	Hálol ...	46,947	12	...	...
3	Jhálod ...	46,893	9	...	...
<i>Surat District.</i>						
1	Chorási ...	42,772	8	...	105	
	Ránder ...	10,352	2	...	6	
		53,124	10	...	111	
2	Olpád ...	53,403	13	...	56	
3	Bárdoli, including Válod	86,163	25	...	39	
4	Jalálpur ...	75,196	16	...	84	
5	Chikhli ...	62,772	24	...	25	
6	Bulsár ...	75,631	7	...	38	Excluding Bulsár town.
7	Párdi ...	63,373	21	...	51	
8	Mándvi ...	53,027	33	...	16	
<i>Thána District.</i>						
1	Sálsette ...	98,895	35	2	171	
2	Bassein ...	79,978	47	1	98	
3	Máhim ...	92,958	43	...	132	
4	Dáhánu ...	84,673	31	...	75	No. 5 may be grouped with No. 4.
5	Umbergaon Petha ...	80,142	25	...	204	
6	Jawhár State ...	53,489	14	...	15	
7	Kalyán ...	71,157	25	...	55	
8	Bhiwndi ...	65,362	20	...	64	
9	Murbád ...	64,397	13	...	...
10	Sháhpur ...	86,196	17	...	5	No. 12 may be grouped with No. 11.
11	Váda ...	44,372	10	...	12	
12	Mokháda Petha ...	34,543	3	...	4	
<i>East Khándesh District.</i>						
1	Chálisgaon ...	99,235	16	1	...	
<i>West Khándesh District.</i>						
1	Nandurbár ...	71,762	18	...	...
2	Sákri ...	73,053	17	...	...
3	Taloda ...	47,835	14	...	...
4	Sháhdá ...	68,409	12	...	...
5	Shirpur ...	57,642	10	...	...
6	Navápur Petha ...	32,211	18	...	7	No. 6 may be grouped with No. 1.

Serial No.	Name of Táluka.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy, including tree-foot booths.	
<i>Belgaum District.</i>						
1	Belgaum	95,960	14	...	9	Excluding Belgaum town and Cantonment.
2	Hukeri	109,990	10	...	11	
3	Gokák	123,225	8	...	23	
4	Parasgad	102,101	8	...	20	
5	Sampgaon	117,950	13	...	16	
6	Khánápur	71,726	12	1	21	
<i>Dhárwár District.</i>						
1	Dhárwár (excluding the town).	76,865	10	...	12	
2	Kundgol Táluka (in Jamkhandi State attached to Hubli Táluka).	22,124	8	...	2	
3	Navalgund ...	88,816	10	...	5	
4	(i) Gadag (excluding the town).	101,838	14	...	22	
	(ii) Shiratti Táluka in Sángli State attached to Gadag Táluka.	46,216	10	...	10	
5	(i) Bankápur ...	77,111	9	...	10	
	(ii) Sávanur State (attached to Bankápur Táluka).	17,909	5	...	6	
6	Ránebennur ...	96,441	12	...	12	
7	Hángal ...	70,882	10	...	33	
8	(i) Karajgi ...	95,898	12	...	18	
	(ii) Laxmeshwar Táluka in Miraj State attached to Karajgi Táluka.	16,023	2	...	2	
	(iii) Gudgeri Táluka in Miraj Mala State.	13,764	2	...	2	
9	Kalghatgi ...	46,454	8	...	3	
10	Kod ...	96,345	10	...	23	
11	Ron ...	93,067	10	...	13	
<i>Kánara District.</i>						
1	Kárwár	40,814	8	...	37	
2	Ankola	39,310	3	...	20	
3	Kumpta	64,052	14	1	28	
4	Hónávar (including Bhatal Petha).	100,285	17	1	61	
5	Siddápur	37,477	18	...	11	
6	Sírsi	47,848	17	1	6	
7	Yellápúr (including Mundgod Petha).	34,713	16	...	6	
8	Haliyál (including Supa Petha).	46,965	23	3	4	
<i>Kolába District.</i>						
1	Alibág	80,862	33	2	35	

Serial No.	Name of Taluka.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy, including tree-foot booths.	
<i>Kolaba District—concl'd.</i>						
2	Pen	70,016	20	1	5	The figures of the Pen Taluka do not include the shops in Sudhágad where there are 17 shops. The figures of the population of Sudhágad are not available.
3	Panvel	108,015	42	2	11	
4	Karjat	86,224	19	9	9	
5	Roha	46,327	11	1	11	
<i>Ratnágiri District.</i>						
1	Vengurla	45,443	10	...	5	
2	Málvan	111,257	22	1	13	
3	Rájapur	155,227	11	1	54	
4	Chiplun (including Gubágar Petha).	197,135	31	1	108	
5	Dápoli (including Mandan-gad Petha).	159,746	37	1	151	
6	Ratnágiri	149,867	22	2	196	

Enclosure 12.

Letter from the Honourable Mr. E. L. L. Hammond, I.C.S., Officiating Secretary to the Government of Bihar and Orissa, to the Secretary to the Government of India, Department of Commerce and Industry, No. 11385F., dated Ranchi, the 8th October, 1913.

I am directed to invite a reference to the Honourable Mr. Enthoven's letter No. 477—490-218, dated the 24th January, 1913, dealing with certain criticisms made on the Excise Administration in India by a deputation which waited upon the Right Honourable the Secretary of State for India in July, 1912.

2. The Commissioner of Excise and Salt, the Honourable Mr. Ahsan-ud-din Ahmad, himself a strict and orthodox Muhammadan, and the Board of Revenue were consulted on the subject, and copies of their letters cited* are enclosed for the information of the Government of India. These two letters together deal fully with all the points at issue, and the Lieutenant-Governor in Council proposes, therefore, to confine his remarks to the most salient points only, treating, as far as possible, the various subjects in the order in which they are set forth in the letter of the Government of India under reference.

3. It has been urged by the Deputation that the consumption of liquor, moderate or immoderate, is contrary to the sentiment of the great majority of the population of India, and that in many classes of Indian society it has never been practised. This statement cannot be accepted without reservation so far as the province of Bihar and Orissa is concerned. The population of this province includes a large number of aboriginal tribes, who are naturally addicted to the use of alcohol and who are yearly becoming richer. Money comes to them from the Tea gardens, the Coal mines, and elsewhere. Their numbers are also increasing more rapidly than those of the Hindus and Muhammadans. On a rough calculation of the population of the drinking castes in Bihar and Orissa, made from the Census Tables of 1911, it may be safely asserted that not more than one-third of the people of this province are total abstainers. The Commissioner of Excise is right when he says in paragraph 20 of his report that with the majority of the population in this province (except Orissa), the use of alcohol was not an innovation introduced with western ideas and western education. The Bengal Excise Commission of 1883-84 in paragraph 97 of their Report stated that "in Bihar the mass of the people have always drunk largely," and in support of this statement they added:—"Any notices which are to be found of the abuse of liquor previous to 1790 refer to Bihar, where the cheapness of liquor and the facility with which it could be obtained were a subject of apparently frequent complaint. For instance, in the paper written by Lieutenant Hamilton in 1785, he stated that the spirit made from the *mowha* flower was so strong and cheap that any man could get completely drunk with the amount to be bought for one halfpenny. Mr. Kier writes of the cruel abuse of spirits that had been long so loudly and so justly complained of among the soldiers, lower Europeans, and servants in this country."

Besides country spirit, *tari* is consumed in considerable quantities in Bihar, and *pachwai* in Chota Nagpur and the districts of the Sonthal Parganas and Sambalpur, where it is regarded as a favourite drink by the aboriginal and semi-aboriginal tribes. In Orissa, as the Commissioner of Excise remarks, the conditions have been somewhat different. The spread of western education and the rapid growth of towns are probably responsible for the moderate drinking habit that has been acquired by the Oriyas. The total amount of drinking is, however, very small.

It is thus clear that, excluding Orissa, the general mass of the population of this province is naturally disposed to resort to intoxicants, and that it would not be possible, even if it were considered desirable, to enforce absolute prohibition of drinking among the people. As the Board of Revenue observes in paragraph 4 of its letter, the abolition of shops for the sale of liquor and the removal of all facilities for drinking are sure to lead not only to systematic illicit distillation, which can be practised with the greatest ease in spite of all possible preventive measures, but

* (1) Letter No. 95E., dated the 9th August, 1913, from the Commissioner of Excise and Salt, Bihar and Orissa, with the statements therein enclosed.

(2) Letter No. 23-59-18, dated the 4th September, 1913, from the Board of Revenue, Bihar and Orissa.

also to a development of the far more pernicious use of *gunja*, opium, and cocaine, the control of which is attended by greater difficulties.

4. Reference has been made in the Excise Commissioner's and the Board's letters to the experimental abolition of outstills in the Khondmals subdivision of Angul, but the circumstances of the case are so exceptional that the experiment cannot be quoted as a precedent in favour of wholesale prohibition. The population of the Khondmals is 74,218 of whom approximately two-thirds are Khonds, while the remainder include a large proportion of Pâns who have taken no vow and who as a class are habitually addicted to drink. The desire to free themselves from the clutches of the Sundis, who were gradually depriving them of their lands, was the motive underlying the vow of the Khonds to abstain from liquor and their request for the closing of all liquor shops. It is a regrettable feature of the experiment that in the two years since its introduction the number of cases of illicit distillation reported has more than doubled, convictions for these offences having risen from 34 in 1910-11 to 77 in 1912-13. It is possible that the increase may be partly accounted for by the greater assistance rendered by the Khond headmen in the detection of these offences, and the local officers will be asked to note in future reports how far this is the case. The movement is one with which Government are in the fullest sympathy, but if illicit distillation continues to increase and no other means of checking it can be devised, the advisability of re-introducing a modified excise system into the subdivision may have to be considered.

5. The statistics furnished by the Commissioner of Excise in connection with the special aspects of the drink question are highly instructive, though the recent changes in the system of manufacture and sale of country spirit introduce necessarily an element of uncertainty. The figures of consumption of country spirit in distillery areas show at first sight a very large increase from 305,350 L. P. gallons in 1905-06 to 1,157,636 L. P. gallons in 1912-13, but this increase is only apparent and is due to the conversion of a large portion of the outstill area into distillery area. The distillery area has increased from 16.731 square miles in 1905-06 to 52,142 square miles in 1912-13, and the population served by the distillery system has also increased during this period from 7,899,000 to 27,487,000. The real increase in consumption, if any, in the distillery area, cannot therefore be considerable.

6. The figures of incidence of consumption of country spirit in distillery areas per 100 of population, shown in the Excise Commissioner's statement B, exhibit considerable variations, but Mr. Ahmad, in paragraphs 7-13 of his letter, has clearly shewn that these variations are not really the safe criterion of the increasing consumption, which they appear to be at first sight. Large extensions of distillery areas have been made ever since the year 1907-08, and as the proportions of spirit consumers to the total population are very different in different parts of the extended areas, the figures of average incidence of consumption must necessarily show fluctuations.

7. The Deputation laid great stress on the fact that since the time of the Excise Committee of 1905-06 the Excise revenue from drink has largely increased, and have drawn from it the inference that a steady increase in drinking has taken place which has not been sufficiently accounted for by the official explanation that a great part of the increase is due to the transfer of consumption from illicit to licit. The Excise Commissioner, in paragraph 25 of his letter, has shewn that the total revenue from country spirit in distillery and outstill areas has actually decreased since 1907-08 by 2·7 per cent. No reliable figures of consumption in outstill areas are available, but, taking approximate figures as his data, Mr. Ahmad has shewn that not only has there been no increase, but the total consumption of distillery and outstill liquor in the province as a whole has actually decreased between the years 1907-08 and 1912-13. He has also proved that since the extension of the distillery system began in 1907-08 there has been either a decrease in the amount of spirit consumed, or that the demand for liquor has not developed *pari passu* with the increase of revenue. It is natural that with the steady improvement in the material condition of the people there should for some time to come be an increase in the revenue derived from Excise, but the theory that an increase of revenue necessarily implies a corresponding increase in drinking is, so far at least as this province is concerned, sufficiently disproved by the facts of the past five years.

8. The abolition of outstills in favour of the distillery system gives effect to the recognised policy of Government of transferring a portion of the receipts from licence fees to duty. The direct effect of the introduction of the system is to raise the price of country spirit, and partly for this reason and partly owing to the prejudice of the people against distillery liquor, receipts in the first instance suffer. Experience, however, has shown that the Excise revenue recovers after a time as the people become accustomed to the use of the new article. It is also generally the case that the contraction of the consumption of country spirit consequent on the increase of price is accompanied by an increase in the consumption of either *tari* or *pachwai*. The Excise Commissioner thinks that such has been the case in this province, although he is satisfied that the total consumption of alcohol has not increased. No means of estimating the actual consumption of these fermented drinks exists, and it is, therefore, not safe to assert to what extent it has increased, if at all, or what future statistics may show. As the Board observes, these forms of drinking cannot be prohibited or to any great extent restricted, having regard to the extreme facility of their production, and as alcohol in the shape of *tari* or *pachwai* is comparatively harmless, a replacement of country spirit by these products is not a result to be very much regretted. Moreover, the contract distillery system has the advantage that, while effecting a salutary check on the consumption of country spirit and ensuring a stricter control over the liquor trade, it aims at the progressive improvement of the quality of the spirit supplied. The Lieutenant-Governor in Council agrees therefore with the Board that the policy of the Excise Department should be a steady extension of the system. It has already been extended to the greater portion of the province, and the outstill system is now confined only to the Rohtas plateau in Shahabad, the Sadr subdivision of Angul, the districts of Palamau and Singhbhum, and portions of the districts of Sambalpur, Hazaribagh, and Ranchi. These are, in the main, backward and inaccessible areas where the absence of facilities for communication is a great impediment to the introduction of the contract distillery system. The Local Government are doing all that is possible to develop communications in these tracts, but for some time to come it will be necessary to retain the outstill system, the evils of which are fully recognised.

9. Much has been done towards enhancing the rate of duty on country spirit. Before the year 1907-08, the general rate of duty was as low as Rs. 2 per gallon L. P., but in accordance with the recommendations made by the Indian Excise Committee in paragraph 94 of their Report, the rate has since been increased to Rs. 2-8 or more per L. P. gallon in most of the districts in which the distillery system is in use. It is not at present considered wise to raise the duty further, not only on account of the encouragement that it would give to illicit distillation but also because a further increase in the duty might lead to the use of more deleterious drugs, especially cocaine. This latter drug, which is daily growing in popularity in this province, is more baneful in its effect than any liquid intoxicant. The following extracts from the Excise Administration Reports will give some idea of the extent of the evil :—

Excise Administration Report for 1910-11.

"The use of this insidious drug as an intoxicant does not show any tendency to decline, in spite of the numerous prosecutions and the punishments inflicted. On the contrary, there is grave reason for fearing that the evil is more prevalent than ever and is on the increase."

Excise Administration Report for 1911-12.

"The habit of using cocaine as an intoxicant seems to be on the increase, and although heavy punishments are generally inflicted in detected cases, they very often fail to have a deterrent effect, as the trade is very lucrative and temptation is consequently very considerable. In Patna the vice is reported to be on the increase, especially among Muhammadans. In Monghyr it is spreading to places where it was unknown before, and the Collector is of opinion that there is little chance of stamping out the pernicious habit unless more stringent measures are adopted to cut off the supply in Calcutta. In Bhagalpur the detection and successful prose-

cution of cocaine cases are becoming increasingly difficult; the offenders have grown clever by experience and often succeed in outwitting the detective officers."

10. The figures given in paragraph 33 of the Excise Commissioner's letter show that the total number of licences for the retail sale of intoxicants has been reduced since 1907-08 by 25·3 per cent., the reduction being most marked in the case of the *tari*, opium, and country spirit shops. The cases of the Patna, Gaya, and Muzaaffarpur districts, where between 1905-06 and 1912-13 the total number of shops has been reduced by 37·5 per cent., 51 per cent., and 42 per cent., respectively, are cases in point. In Shahabad the number of *tari* shops has, in the past seven years, been reduced from 670 to 371 and in Saran from 1,154 to 640. While His Honour in Council hopes that further reductions may be possible, he agrees with the Board that any extensive further reduction is impracticable and might defeat its own object by encouraging resort to illicit practices and to the use of other and more noxious kinds of stimulants.

11. Exception was taken by the Deputation that waited on the Right Honourable the Secretary of State in August, 1907, to the sites of the shops for the sale of liquor in the Chota Nagpur Division, a very large proportion of which were said to be in positions prohibited by the rules of the Province. In regard to this question, the Excise Commissioner has stated in paragraph 67 of his letter that careful attention has been paid to the selection of sites for the location of these shops, but no detailed information has been furnished as to how far the complaints of the Deputation were justified and what action has been taken to remove them. A further report has been called for from the Excise Commissioner, and instructions have been issued that the District Boards of the Division should also be consulted in regard to the sites of shops in rural areas.

12. The Lieutenant-Governor in Council accepts the suggestion of the Commissioner of Excise and the Board that the system of Advisory Committees should be extended to all Municipalities. Paragraph 44 of the Excise Commissioner's letter shows the action that has been taken in the matter of the abolition of liquor shops or their removal from objectionable sites, on the recommendation of these Committees, since their first formation in 1908-09. Detailed information as to the action taken in the case of individual districts on the recommendation of the Committees formed in 1911-12 and 1912-13 will be found in the answer given to a question recently put at a meeting of the Bihar and Orissa Legislative Council, of which a copy is enclosed.

13. The suggestion made by Mr. Ahmad that the District Boards, Local Boards, and Local Associations should be consulted regarding the number, situation, and licensing of shops, does not commend itself to the Board, on the ground that the members lack the needful local knowledge and are for the most part drawn from a class which cannot really be said to be representative. There is much force in this criticism, and there is no doubt a risk that party friction might be an element in arriving at a decision. On the other hand, the criticism is one which applies to attempts at Local Self-Government, and to consult the District Boards or Local Boards is a very different matter from allowing any local body the right to veto a licence. The Lieutenant-Governor in Council has therefore decided in the first instance to try the experiment of consulting the District Boards in the Chota Nagpur Division, more especially with reference to the sites of liquor shops. If the experiment proves successful, it will be extended to other parts of the Province. In connection with the mining area, His Honour in Council also proposes to instruct the Deputy Commissioner of Manbhum to consult the Mining Board of Health on the number and location of liquor shops in the area under its control.

14. As regards any possible enlargement of the powers of the Advisory Committees, which are at present purely consultative bodies, the local officers, the Commissioner of Excise and the Board are unanimous in considering that at present such a proposal is impracticable. With this opinion the Lieutenant-Governor in Council agrees.

15. In this connection the District Officers repudiate, with some warmth, the suggestion that they cannot, as Revenue authorities, divest themselves of a narrow regard for revenue irrespective of any possible increase in human misery consequent on an increase in the consumption of liquor. The proposal put forward by the Deputation that the licensing function should be entrusted to a Local Authority or a Judicial Officer is dealt with in paragraph 10 of the Board's letter, and a useful

deduction is made by the Board from the Honourable Babu D. P. Sarvadikari's remarks as to the way in which such powers might be abused. The Lieutenant-Governor in Council endorses the views expressed by the Board. For many years to come, the Collector must, as the officer or person most cognisant of the needs of the district as a whole, remain the licensing authority. A transfer of these powers would probably lead, as pointed out by the Board, to evils far greater than those of which the Deputation complained. The control of the Excise Administration of a district by the Collector is essential, and the policy of Government is to render that control more effective by supplying him with a more adequate and better trained staff, so that he may have reliable information on which to act. In the opinion of the Lieutenant-Governor in Council, too much has in the past been left to the subordinate establishment of the Excise Department. The Collector had not, when the outstill system was in vogue, sufficient facts to justify interference with either sales or the management of liquor shops. With the expansion of the distillery system a change has taken place. Facts are now available which, with a reliable staff, should enable a Collector to reconcile the conflicting interests of revenue and temperance in a manner previously impossible. He at least, and he only, can attempt this difficult task.

16. The Lieutenant-Governor in Council endorses the views contained in paragraph 9 of the Board's letter regarding the proposal of the Deputation to substitute a system of fixed licence fees for that of disposing of shop licences by auction. The auction system, as at present conducted in this province, possesses many of the characteristics of the fixed fee system, for while on the one hand competition and reserve prices guard against the shops being settled at inadequate fees, they are on the other prevented from being sold at bids which are purely speculative. The contract distillery system should, with the increased establishment applied for in my letter No. 4257F., dated the 28th April, 1913, enable the Collector to form a fairly accurate estimate of what any shop properly managed can afford to pay. The competition of shops enables him to get rid of any undesirable vendor, and affords a means of effective control. The comparative merits of the two systems have been the subject of much discussion in the past, and His Honour in Council does not think that anything is to be gained from making an experiment of the fixed fee system in particular localities, as suggested by the Excise Commissioner. He is in entire accord with the views of the Government of India, expressed in their Resolution No. 2997Exc., dated the 16th May, 1907.

17. The proposal of the Excise Commissioner, endorsed by the Board, that country spirit shops should not be opened till 10 A.M. is approved by the Lieutenant-Governor in Council as an experimental measure, subject to revision if the restriction is found to cause inconvenience in the mining areas. No change in the closing hour is recommended either by the Excise Commissioner or by the Board, and the Local Government do not see any necessity for introducing a change.

18. To summarise the views of the Lieutenant-Governor in Council, the great majority of the population in this province is naturally addicted to drink in some form or other, and it is therefore not possible to enforce absolute prohibition of drinking without engendering far greater evils than those which it is sought to remove. As has been shown, even the case of the Khonds in the Khondmals subdivision of Angul cannot be cited as a precedent in favour of wholesale prohibition.

The real increase, if any, in the consumption of liquor is inconsiderable, and increase in revenue does not necessarily imply an increase in the habit of drinking. With the steady improvement in the material condition of the people, an increase in revenue is, for some time to come, inevitable. The duty of Government is to endeavour to restrict consumption by improved methods of Excise administration, while providing for the legitimate demand for liquor. The abolition of outstills and the introduction of the contract distillery system, which serves to reduce consumption and to provide the consumers with a wholesome liquor under stricter control, should be the goal of the Excise Department, and its extension should be steadily pursued as opportunities occur.

An appreciable advance has been made already in the matter of raising the duty on country spirit. Considerable reductions have been effected in the number of licences for the vend of intoxicants, and further extensive reductions are not possible without encouraging resort to illicit practices and the use of other and more noxious stimulants.

The system of Advisory Committees should be extended to all Municipalities. The system will be experimentally extended to District Boards in the Chota Nagpur Division, and thereafter to other parts of the province if the experiment proves a success. No enlargement of the powers of Advisory Committees is practicable; they should remain, as hitherto, purely consultative bodies.

The present system of modified auction should continue, and should not be replaced by a system of fixed fees.

The opening hour of country spirit shops will be fixed at 10 A.M., subject to revision, if necessary, in the case of mining areas.

While the direct control of the Collector must, for many years to come, be indispensable, the Lieutenant-Governor in Council is confident that the interests of temperance reform will not be, as they never have been, regarded as secondary to those of revenue. Restrictions on bidding at auctions will become more frequent, and local advice will be freely sought. A marked improvement in the administration of the Department is expected from the increase in the subordinate staff for which application has been made. As in England, so in India, the decrease of consumption can only really be effected by the spread of education amongst those who drink, and injudicious restrictions will only serve to aggravate the evil which they are intended to obviate.

Annexure No. 1.

Letter from the Secretary to the Board of Revenue, Bihar and Orissa, to the Secretary to the Government of Bihar and Orissa, Financial Department, No. 23—59, 18, dated Bankipore, the 4th September, 1913.

I am directed to acknowledge the receipt of Government Order No. 1713, dated the 18th February, 1913, with which was forwarded copies of the Government of India's Circular No. 477-490-218, dated the 24th January, 1913, and connected papers relating to certain criticisms made on the Excise Administration in India by two deputations which waited on the Right Honourable the Secretary of State for India in August, 1907, and July, 1912, and in reply I am to forward a copy of a letter No. 95E., dated the 9th August, 1913, from the Commissioner of Excise and Salt, Bihar and Orissa, together with the enclosures in original.

2. As the report is urgently required by Government and as the points in issue have been fully and carefully dealt with by the Excise Commissioner the Board does not propose to add to any considerable extent to the already bulky correspondence.

3. The report of Mr. Ahmad is divided into two distinct parts, the first of which, comprising paragraphs 1 to 30, deals with the consideration of the drink question generally in the province of Bihar and Orissa and with the special aspects which prevail in that province, a discussion which was invited in paragraph 2 of the letter of the Government of India, dated 24th January, 1913, referred to above. The second portion of the Excise Commissioner's report deals with certain specific suggestions thrown out by the two Deputations which appeared before the Secretary of State.

Reduced to its shortest possible form the main contention of the Deputations as regards the general question of drinking in India was that since the time of the Excise Committee of 1905-1906 the Excise Revenue derived from drink had enormously increased, that the transfer of consumption from illicit to licit failed to account for the greater portion of this increase, and that it was therefore apparent that there has been a steady increase in drinking. The majority of the members of the Deputations contented themselves with assuming an increase of consumption from an increase of revenue, but the Right Honourable Lord Kinnauld, in the second deputation, went a step further and asserted categorically that there had been without doubt a great increase in consumption. With a view to the examination of this contention the Government of India called for certain statistics which have now been furnished by the Excise Commissioner in the enclosures to his letter. The statistics cover the period of eight years since 1905-06 when the Excise Committee sat, and in view of the contention of the members of the deputations the figures of consumption of country spirit (the form of drinking which evidently bulked most largely in the minds of the Deputations), as given in Table B are of special interest. The general figure of consumption of country spirit in distillery areas shows an enormous increase

from 3,08,350 L.P. gallons in 1905-1906 to 11,57,636 L.P. gallons in 1912-13, but this merely indicates a persevering extension of the Distillery system, with a corresponding decrease in the outstill area. The figures of consumption per 100 of the population would at first sight, as the Excise Commissioner points out, appear to be a safe criterion. They show an increase between 1905-6 and 1907-8, thereafter a decrease from 1907-8 to 1910-11, and thereafter again an increase in the past two years. The first portion of the Excise Commissioner's letter is devoted to showing that in consequence of the changing conditions of the Distillery area as it is gradually increased even the consumption per 100 of the population is no safe criterion of an increase in drinking. This, in the opinion of the Board, he has succeeded in doing, and he has further succeeded in showing that so far as the consumption of country spirit is concerned there has been a marked decrease since 1907-08 wherever the Distillery area has been enlarged, an enlargement which has been accepted as a definite policy, has been pushed on with steady perseverance and fair rapidity, and has now approached its limits until the more backward parts of the country are opened up and become accessible. The Excise Commissioner has also shown not only that there has been a decrease in consumption and that increase of consumption does not necessarily go hand in hand with increase of revenue; but he has also shown that since 1907-8 when the extension of the Distillery system began to be seriously pushed forward there has actually been a decrease in the revenue derived from country spirit.

It is evident that a contraction in the consumption of country spirit is accompanied by an increase of consumption in *tari* and *pachwai*. Owing to the extreme facility of production of these forms of drink and even of country spirit it is impossible in this country to put a prohibition on drinking or even to restrict to any very great extent the facilities of supply. The Board therefore agrees with the Excise Commissioner that a conversion from country spirit to the more harmless forms of drink found in the fermented liquors is not to be regretted, and that the policy of the Department should continue to be the yet further expansion of the contract Distillery system which, while effecting a salutary check on the consumption of country spirit, aims also at a constant improvement in the quality of the spirit supplied. As has been already pointed out, the ultimate limit of that expansion must come in time, but there is still a good distance to go. Progress must, however, be expected to be slower as the limit is more nearly approached.

4. The abolition in the year 1910 in the Khondmals Subdivision of Angul of all the outstills by which country spirit was supplied in that Subdivision has been specially mentioned by the Excise Commissioner. The question as to whether the experiment should be continued came before the Board during the present year. The Excise authorities were not in favour of continuing it, as illicit distillation had increased. In view of the singular origin of the move and with a desire to help to the last possible moment any possible genuine effort of the people themselves to do without drink, the Board held that the increase in illicit distillation was not so marked or so clearly proved as to warrant the discontinuance of the experiment, and its continuance for another year was accordingly directed. The Honourable Member is, nevertheless, by no means sanguine of the permanence of the reform. The self-denying ordinance of the Khonds appears to have been conceived in a spirit of pique somewhat akin to the spirit which led to the boycott of European goods in some parts of Bengal. The reports of the local officers, who like all officers serving in aboriginal areas have the strongest sympathy with and affection for the people, have so far been rose-coloured, but it is more than doubtful whether the renunciation will last and if it does not, the physical features of the country are such that prohibition will be impossible and a regulated facility of supply again become inevitable. Be this as it may, the Board considers that the Excise Commissioner is correct in representing in paragraph 28 of his report that the case of the Khondmals cannot be regarded as an argument for prohibition in other areas where no desire for it has been expressed by the drinking population. It seems obvious that the practical abolition of drinking shops, which appears to be the aim and object of the members of the Deputations, would in this country lead not only to systematic illicit distillation in spite of all possible preventive measures, but also to a development of the far more pernicious use of *Ganja*, opium, and cocaine, the control of which is more difficult. The materials for illicit distillation lie within the reach of the poorest classes in this province, and the spirit so distilled is deleterious in the highest degree. Our

policy must therefore continue to be not wholesale reduction of facilities, but better control and the provision of an increasingly superior class of liquor.

5. Turning now to the specific recommendations of the Deputations, the first is a reduction in the number of licences. The Excise Commissioner has shown that between the years 1907-8 (when the recommendations of the Excise Committee were taken in hand), and the present time a reduction in total Excise shops in this province has been made from 16,609 to 12,396 out of which the reduction in country spirit shops has been from 2,235 to 2,088. There is an unanimity of opinion among District officers that any extensive further reduction is impracticable, but such special cases of reduction as can be safely made will be carried out in future settlements. As pointed out in the preceding paragraph, the production of a noxious low class liquor in this province is easy and cheap, and the time when every effort is being made to introduce improved distillery liquor and to go on improving it is not the time at which it is expedient to violently shut down facility of supply.

6. With regard to the curtailment of the hours of sale the Board has no objection to the Excise Commissioner's proposal in his paragraph 41 to raise the opening hour for country spirit shops from sunrise to 10 A.M. with the reservation that if such a restriction in hours is found to work any inconvenience to consumers in the mining area the question can be reconsidered for that area. It is just possible that workers may take a legitimate supply of liquor with them when they go to work and may lay it in at sunrise. The Deputy Commissioner does not apparently imagine this practice to exist, as he has recommended that the opening hour should be 8 A.M. instead of sunrise, but the Board has no specific information on the point.

The Board does not consider the present closing hours of 8 P.M. from October to March and 9 P.M. from April to September to be in any way unreasonable, and agrees with the Excise Commissioner that it would be inexpedient to change those hours for the reasons given in paragraph 39 of his letter.

7. The next question relates to the extension of the Advisory Committees to all Municipalities. There is a consensus of opinion among all officers in favour of this extension and the suggestion may be adopted.

8. The Excise Commissioner would also like to see Advisory Committees established for rural areas in connection apparently with the District Board. The Board of Revenue doubts if any effective help would be rendered in respect of such areas. The object of the Advisory Committees is to bring to the notice of the Collector undesirable conditions in respect of particular shops by the light of the personal knowledge of the members of the Committee. This presupposes particular and individual local knowledge. It would not be possible to bring together a Committee possessed of local knowledge covering the rural areas. If the Advisory Committees are confined as now to Town areas they would appear to be sufficiently representative under their present constitution, which includes an un-official Municipal Commissioner for each ward.

The Board agrees with the Excise Commissioner that the extension to the Advisory Committees of the power to advise on drug shops as well as liquor shops would be ineffective in practice and is unnecessary.

The work done by the Advisory Committees in this province is detailed in paragraph 44 of the Excise Commissioner's report. They have effected a by no means inconsiderable amount of changes and have justified their existence.

9. The next recommendation of the Deputations was that the auction system of licensing should be superseded by a fixed fee system. This, as the Excise Commissioner points out, is an old controversy, and it has been thoroughly threshed out in the Government of India's Resolution No. 2997-Excise, dated the 16th May, 1907. With the views expressed in that Resolution the Board is entirely in accord, and there is nothing to add to the pros and cons as therein stated except that, perhaps, insufficient weight has been given to the fact that the auction system furnishes a working automatic method by which the Collector is enabled to select his licensees. If the licences are given out on a fixed fee system it becomes incumbent on the Collector to decide to whom they shall be given. In so deciding he must depend on the advice of his Excise Subordinate officers and an undesirable door is at once opened for the entry of objectionable practices. The auction system has the great advantage of being at least open and above board. To obviate the difficulty of a too frequent

scramble for licences among the many candidates a fixed fee system must be accompanied by some degree of fixity of tenure and the accompanying growth of vested interests. This growth is not imaginary. At the last settlement of the Distillery Contracts there was distinct evidence before the Board of a desire on the part of certain distillers to claim the establishment of a vested interest, and if efforts are made by contract distillers to establish such interests they will certainly be made no less by the shop licensees.

In his remarks recorded on page 6 of the report of the Deputation of July, 1912, Mr. Gokhale has made light of the idea that the Collectors will be at a disadvantage in making their settlements under a fixed fee system and has said that it is inconsistent to imagine that Government officers will be impartial as to revenue but partial in selecting abkars. The remark misses the point. There is no question of partiality so far as the Collector is concerned, and Mr. Gokhale has jumbled together in one basket all kinds of Excise officers from the Collector to the peon. The Collector will be as impartial in choosing his abkars as in considering the Revenue, but in the former task under a fixed fee system he will be dependent on the subordinate Excise officials. How far the lower grades of those officials will be able to turn the Collector's position to account is probably better known to Mr. Gokhale's experience than to the Board of Revenue. It is understood that the fixed fee system has been tried already in the Bombay Presidency and in the Central Provinces and the results in those areas should be sufficient to enable the Government of India to pronounce further on this debateable question, meanwhile the Honourable Member is not prepared to agree with the Commissioners of Bhagalpur and Tirhut and several of the District officers that the experiment should be introduced in this province.

It will be understood that unrestricted auction has never been the practice and is not advocated. The Collector must retain the fullest control over his auctions in order to avoid the occurrence of awkward and troublesome situations. If the recognised policy of subordinating licence fees to duty is kept steadily in view and the importance of the fees thus relatively reduced, there seems to be no reason why the auction system should be liable to serious abuse.

10. The fourth proposal of the Deputations was that the licensing function should be taken away from the Excise Revenue Department, and made over to the Advisory Committees. In the written statement submitted by the Deputation of July, 1912, the words "Or some other independent authority" were added, but no suggestion was made as to what that other authority might be. The opinion of all officers consulted is unanimous against such a course. In fact to place the licensing power in the hands of committees who would be drawn entirely from among total abstainers would be to create an unwholesome class tyranny which would be deeply resented by all moderate drinkers. Moreover, the result is not difficult to foresee. In his speech as a member of the Deputation, Mr. D. P. Sarbhadrakari said plainly, "if we had our way, most of the drink shops would disappear to-morrow" (page 7 of the report of the Deputation, of the 18th July, 1912). That is just what would happen, but the remark evidences a blind disregard of the facilities for illicit supply in India and most of all in those parts of this province where drinking is most habitual. Drinking would continue as before though, perhaps, less in evidence. The worst possible type of liquor would again take the place of a constantly improving type. The revenue which at present goes to give a much-needed help to the administration of the province and of India would go instead to enrich the illicit suppliers.

The only alternative to the Advisory Committees that suggests itself for the establishment of an independent licensing authority would be to follow the English practice and hand over the licensing to the subordinate magisterial judiciary. It is sufficient to say that unless and until the separation of Executive and Judicial functions becomes an accomplished fact, the position would be clearly impossible, nor until then would any improvement in the situation be admitted inasmuch as it is a constant cause of complaint (justifiable or otherwise), that the subordinate magistrates are mere creatures of the District officer. The Board is unable, even apart from the question of cost, to see any advantages in the suggestion of the Excise Commissioner that the Collector should be given a special Deputy Collector to assist him in licensing work. The Collector would still remain the revenue officer, and would still be accused, however unjustly, of sacrificing public interests to revenue. while his Deputy would still be accused of subservience to the Collector's will.

11. With reference to paragraph 4 of the Government of India's Circular No. 477-490-218, dated 24th January, 1913, the Excise Commissioner reports in paragraph 67 of his letter that instructions are again being issued with regard to the locations of shops. The principles enunciated in the Government of India's Resolution No. 5086 Excise, dated the 15th August, 1907, have been embodied in the rules given on pages 66 to 68 of the Excise Manual, Volume 11, and under rule 24 on page 189 of the same volume. Sub-Inspectors are required, when inspecting, to report to Subdivisional officers any case in which the rules as to location of shops appear to have been disregarded.

Annexure No. 2.

Letter from the Honourable Mr. A. Ahmed, C.S., I.S.C., Commissioner of Excise and Salt, Bihar and Orissa, to the Secretary to the Board of Revenue, Bihar and Orissa, No. 95E., dated Ranchi, the 9th August, 1913.

I have the honour to invite a reference to the Board's Memo. No. 23-59-2, dated the 4th March, 1913, forwarding copies of the Government of Bihar and Orissa Memo. No. 1713-F., dated the 18th February, 1913, and asking for the reports called for in its enclosure (the Government of India letter No. 477-490-218 Commerce and Industry Department) dated the 24th January, 1913, which deals with certain points raised by a Deputation that waited upon the Right Honourable the Secretary of State for India in July, 1912.

2. The Government of India have asked in para. 2 of their letter for a report on the special aspects of the drink question in Bihar and Orissa, and for statistics showing the consumption of, and taxation realised on, excisable articles of different descriptions during each of the years 1905-06 to 1911-1912.

3. In para. 3 it is enquired to what extent the Government of Bihar and Orissa would be prepared, having due regard to the special circumstances of this province, to give effect to the recommendations of the Deputation relating to the extension of the powers and scope of local advisory Committees modification of their constitution and the further curtailment of the number of shops and the hours of sale; the Local Government is also invited to offer observations on the recommendation that the auction system of disposing of licences for the retail sale of excisable articles be replaced by a system of fixed fees. It has been incidentally remarked that it would seem to be desirable to take action in the direction of curtailing the hours of sale, and it has been added that the danger of reducing shops to such an extent as to give practical monopolies to the shopkeepers should be borne in mind in framing any proposals on the subject.

4. It has been suggested in para. 4 of the Government of India's letter that instructions may again be issued to local Excise officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles approved in para. 6 of their Resolution No. 5086-Excise, dated the 15th August, 1907. Para. 5 of the same letter has reference to circumstances peculiar to Calcutta and has, therefore, no concern for this province and para. 6 prescribes that statistics showing the wholesale and retail vend and consumption of foreign liquors, similar to those contained in Provincial statements A and B of the Excise Administration Reports of the Punjab and the N.-W. Frontier Province for the year 1910-11 may be furnished in future Administration Reports of other Provinces also.

SPECIAL ASPECT OF THE DRINK QUESTION IN BIHAR AND ORISSA.

5. The Right Honourable the Secretary of State has in his despatch No. 85 Rev., dated the 6th September, 1912, which has been forwarded with the India Government letter, requested that the various points raised by the Members of the Deputation that waited upon him be examined in the light of any new facts that have come into being or into notice since the date of the India Government Report No. 294, dated the 8th October, 1908, and I propose, therefore, to confine myself as far as possible to the condition of things between the year 1907-08 and the present date. I may note here that extensive changes in the administration of the Excise

Department have been effected during these years chiefly in furtherance of the recommendations of the Indian Excise Committee of 1905-06, on which the Deputation dwelt at some length, and as these changes were mostly introduced between the years 1908-09 and 1912-13 a comparison of the statistics for 1912-13 with those for 1907-08 cannot fail to be interesting.

6. The statistics prescribed in para. 2 of the Indian Government letter are appended to this report. Tables A, B and C are concerned with country spirit and distillery systems, populations served by and revenue derived from these systems, the consumption of country spirit in distillery areas only in gallons L.P. and the number of shops for retail sale of country spirit under the two systems. The figures for area and population under the distillery system for 1906-07 are practically the same as in the preceding year, and during the preceding 15 years also there had been very little extension of the distillery system. A full programme of extension was, however, begun in 1907-08 in which year the whole of Manbhumi was brought under the distillery system. In 1908-09 it was extended to certain portions of Monghyr, Bhagalpur, Muzaffarpur and Ranchi, which had formerly been under the outstill system. In 1909-10 it was extended to the whole of Monghyr, Bhagalpur and Purnea, and in the next year outstills were replaced by distillery liquor shops throughout the whole of the Patna Division (with the exception of the Rhotas plateau in Shahabad, a small area), the Districts of Saran and Darbhanga and the Sadr and Hajipur subdivisions of Muzaffarpur. The only addition to the distillery area during the course of the next two years was a small area in the district of Ranchi. In 1905-06 the number of persons residing within the distillery area represented only 23 per cent. of the total population of the province (British territory only, census figures of 1901); in 1907-08 the percentage was 28 but by 1912-13 it had increased to 80 (calculated on census figures of 1911, British territory only).

7. A cursory examination of columns 10 to 17 of the Table B would create an impression that the immediate effect of extension of the distillery system was a considerable increase in consumption of country spirit (from 3.9 gallons per hundred of the population in 1905-06 to 5.3 gallons in 1907-08); and that this was followed by a steady decline during the next 3 years (4.7 gallons in 1908-09 and 3.5 gallons in 1909-10 and 3.4 gallons in 1910-11) which has again been partially recouped during 1911-12 and 1912-13, also that the net result between 1905-06 and 1912-13 has been an increase in drinking. This, however, is not correct, and to understand the real import of the figures it is necessary to bear in mind that the proportion of spirit-consumers to the total population is very different in different parts of the province and that the figures for average incidence of consumption must in consequence fluctuate not only with actual increase or decrease in consumption in the same areas, but also with the varying relative proportions of areas of heavy drinking and areas of low drinking under the distillery system during the several years.

8. The province of Bihar and Orissa may roughly be divided into 4 natural groups with broad physical and ethnological affinities; and the drink question also has got somewhat different aspects in each of these 4 natural divisions. It would, therefore, be desirable to discuss separately for each of these groups the general aspect of the question as well as the effect of the extension of distillery system and other changes introduced on the recommendation of the India Excise Committee of 1905-06 before discussing the subject for the province as a whole. These divisions are—

(1) The area north of the Ganges consisting of the Tirhut Division, portions of Monghyr and Bhagalpur districts and the district of Purnea. As statistics are collected for districts as a whole, and as the conditions in this group are not very different from those in the next group which includes the portions of Monghyr and Bhagalpur south of the Ganges, so far as the drink question is concerned, it would be convenient to treat the whole of Bhagalpur district with North Bihar, as I propose to call this group, and the whole of Monghyr with the south Bihar districts. Monghyr has a large area south of the Ganges while the reverse is the case with Bhagalpur.

The group of six districts (Saran, Champaran, Muzaffarpur, Darbhanga, Bhagalpur and Purnea) comprises an area of 21,822 square miles and has a population of 14,102,000. The distillery system was in force in 1912-13, with the exception of the Sitamarhi subdivision of Muzaffarpur and the major portion of Champaran; the

respective figures for area and population for the distillery and outstill areas were 17,375 square miles with 11,384,000 people and 4,447 square miles with 2,718,000 people. The total quantity of distillery liquor consumed amounted to 3,26,555 gallons L. P. and the estimated figure for consumption in the outstill area was 1,35,803 gallons, so that the incidence of total consumption of country spirit per hundred of population was 3·3 gallons L. P. (2·9 gallons L.P. within distillery area and 5·0 gallons L. P. within outstill area). The other intoxicants favoured by the people are *turi* and to a smaller extent *ganja* in the 4 western districts and *ganga* and opium in Bhagalpur and Purnea. *Tari* brought in a revenue in the Tirhut districts, amounting to 4,47,011 or Rs. 4·5 per 100 persons, while the figures for incidence of consumption of drugs in Bhagalpur and Purnea were 7·9 chataks of *ganja* and 1·7 chataks of opium.

(2) Patna Division and the portions of Monghyr and Bhagalpur south of the Ganges. As explained above, the whole of Monghyr will be treated as part of this group, while the whole of Bhagalpur will be excluded. South Bihar as the group of 4 districts Patna, Gaya, Shahabad and Monghyr may conveniently be described, comprises an area of 15,076 square miles and has a population 7,767,652. The distillery system was in force throughout this area with the exception of a very small portion of Shahabad and the total amount of country spirit consumed in 1912-13 was 5,61,798 gallons L. P., (5,58,628 gallons distillery liquor and 3,170 gallons outstill liquor) so that the incidence per hundred of population was 7·2 gallons L.P. *Tari* is very largely consumed in this area and the total revenue under this head amounted in 1912-13 to Rs. 6,56,232 or Rs. 8·4 per hundred of population. The total *ganja* consumed amounted to 773 maunds which works out at 6·4 chataks for every hundred persons; the consumption of opium also is heavy in Patna and Monghyr and amounted in 1912-13 to 119 maunds or 2·0 chataks per 100 souls.

(3) The whole of the Chota Nagpur Division and the districts of Santal Parganas, Angul and Sambalpur. This group, which may conveniently be described as the Chota Nagpur plateau, comprises an area 38,045 square miles and has a population of 8,431,979 of which aborigines form a very large proportion. On account of the difficulties of communication the distillery system has not yet been extended to a very large portion of this area, the only portions under that system being the entire districts of Santal Parganas and Manbhum and small tracts in Sambalpur, Hazaribagh and Ranchi. The respective figures for area and population served by the distillery and outstill systems were in 1912-13 12,419 square miles with 4,139,199 people and 25,626 square miles with 4,292,780 people. The total amount of distillery liquor consumed was 2,53,326 gallons L.P. and the estimated quantity of outstill liquor consumed amounted to 8,90,527 gallons. Taking distillery and outstill liquor together, the incidence of consumption on the total population was 13·5 gallons per hundred souls, the figures for distillery and outstill areas separately being 6·1 gallons and 20·7 gallons L.P. respectively. There is very little demand for intoxicating drugs or *tari*, but *pachwai* is a very favourite drink. The revenue derived from *pachwai* shops is comparatively small, Rs. 1,29,070 or Re. 1·5 per hundred of population and gives no indication of the actual demand for this beverage, for extensive concessions regarding the brewing of this article at home are enjoyed by aborigines throughout the Chota Nagpur Division and Sambalpur and by all classes in the Santal Parganas.

(4) The littoral districts of Orissa, viz., Cuttack, Balasore and Puri. This group has an area of 8,238 square miles, wholly under the distillery system, and a population of 4,188,109. The demand for country spirit is small, only 18,827 gallons in 1912-13 or an average of 0·4 gallons per hundred of the population. There is some demand for *tari* in Cuttack and Puri which brought in a revenue of Rs. 48,444 or Rs. 1·5 per hundred of population, and *pachwai* is consumed to some extent by aborigines in Balasore, but the intoxicants most favoured are opium and *ganja* of which 355 maunds and 307 maunds respectively were consumed during the year, the incidence per hundred of population being 5·4 chataks and 4·7 chataks respectively.

9. *North Bihar*.—The principal administrative changes in North Bihar during the period of 1907-08 to 1912-13 have been (a) the extension of the distillery system throughout the whole of Bhagalpur and Purnea and in parts of Muzaffarpur with effect from 1908-09 and in Saran, Darbhanga and the Sadr and Hajipur subdivisions

of Muzaffarpur with effect from 1909-10 and (b) a steady reduction in the number of *tari* shops. An examination of the effect of the distillery system must be confined to the statistics for Saran, Muzaffarpur, Darbhanga, Bhagalpur and Purnea, as there has been no change in the distillery area in Champaran for a very long time. The aggregate recorded consumption of country spirits in these districts in 1907-08 was 4,17,981 gallons L.P. (60,196 gallons distillery liquor and 357,785 gallons outstill liquor) which worked out at an incidence of 3·5 gallons per hundred of population (7·4 gallons within distillery area only and 3·1 gallons within outstill areas only); the aggregate in 1912-13 was 3,35,479 gallons L.P. (3,20,388 gallons distillery liquor and 15,091 gallons outstill liquor) or 2·8 gallons per every hundred persons. There has, therefore, been a reduction in recorded consumption of country spirit by 82,502 gallons L.P., or 19·7 per cent. This has been attended by increase in consumption of *ganja* from 798 maunds to 898 maunds or by 12·5 per cent. and also probably by some increase in consumption of *tari* indicated by the increase in revenue from Rs. 3,58,146 to Rs. 4,72,839 or by 32 per cent. in spite of a reduction in number of shops from 4,157 to 2,856. There has also been a marked increase in consumption of opium, but the discontinuance of opium cultivation and consequent removal of facilities for the use of non-duty-paid opium have probably had more to do with such increase than the extension of distillery area.

10. The introduction of the distillery system meant a substantial increase in the price of country spirit, especially in rural areas and accounts for the decrease in consumption. *Tari* is the chief competitor with country spirit in North Bihar and *ganja* is a good second, and the increase in *tari* revenue and in consumption of *ganja* indicate a tendency to substitute *tari* or *ganja* for spirituous drinks. There has been no extension of distillery area in Champaran during this period. The *tari* revenue has increased, it is true in spite of a reduction in number of shops but to smaller extent (*viz.*, 21 per cent.) than in the five districts mentioned above, and the consumption of *ganja* has actually undergone a decrease of 7·4 per cent. In the years immediately preceding 1907-08, the consumption of *ganja* had been steadily decreasing throughout North Bihar (thus 1,393 maunds in 1904-05, 1,097 maunds in 1905-06, 982 maunds in 1906-07, 958 maunds in 1907-08) and the revenue from *tari* was progressing very slowly, but consumption of country spirit had been steadily increasing. It would appear, therefore, that up till that year outstill liquor had been slowly but steadily replacing *ganja* and that *tari* could barely hold its own; in Champaran the outstill system continued till 1912-13 and the reduction in *ganja* consumption continued, but in the other districts there was a reaction and *ganja* has again been coming into favour. The increase in *tari* revenue in Champaran but to a smaller extent than in the districts in which there has been extension of the distillery system would indicate that reduction in number of shops is one factor in increasing *tari* revenue, and has been in operation throughout North Bihar, but that extension of distillery area is an additional factor which was absent in Champaran, but which has made itself felt in the other districts.

11. *South Bihar*.—The distillery area in South Bihar up to 1907-08 consisted of small tracts round the district headquarters stations. In 1909-10 the distillery system was extended to the whole of Monghyr and in 1910-11 it was further extended to the whole of the Patna Division, except a small area in Shahabad, where outstills still continue. The recorded consumption of country spirit in 1907-08 was 1,019,174 gallons L.P. (1,96,813 gallons distillery liquor and 8,22,361 gallons outstill liquor) which worked out at 13·1 gallons L.P. for every hundred persons (22·6 gallons in distillery areas only and 11·9 gallons in outstill areas only); the aggregate in 1912-13 was 5,61,798 gallons (5,58,628 distillery liquor and 3,170 outstill liquor) or only 7·2 gallons per hundred population. The distillery system has, therefore, brought about a decrease in consumption of country spirit by 4,57,376 gallons or 44·9 per cent. This has, however, been attended by an increase in consumption of *ganja* from 618 maunds in 1907-08 to 773 maunds in 1912-13 or by 25 per cent. and the increase in *tari* revenue (from Rs. 3,67,039 in 1907-08 to Rs. 6,56,232 in 1912-13 or by 78·8 per cent.) also indicates a large increase in consumption of that beverage. In the years immediately preceding 1907-08, exactly as in North Bihar, the consumption of *ganja* had been decreasing while the *tari* revenue had been making very slow progress. And the effect of the extension of the distillery area has been in exactly the same direction as in North Bihar, *viz.*, country spirit which had been replacing the use of *ganja* and against which *tari* could make little head has now been replaced to a very great extent by *tari* and *ganja*.

12. *Chota Nagpur Plateau.*—As already stated, a comparatively small proportion of the Chota Nagpur plateau has till now been brought under the distillery system. This system had been in force in the whole of Santal Parganas in portions of Sambalpur and the Giridih subdivision of Hazaribagh as well as in a very small tract in Manbhum from a very long time ago, and the principal additions to the distillery area during the period under review have been the whole of Manbhum district and about a fifth of the district of Ranchi. Statistics are not available separately for the portion of Ranchi brought under the distillery system and, to gauge the effect of the extension of that system, attention must, therefore, be confined only to the district of Manbhum. A comparison with the figures for 1907-08 would not suit the case of this district, as distillery system was already in force in that year, and I propose, therefore, to deal with the figures for 1906-07, the last year of the outstill system. In that year the recorded consumption of country spirit in Manbhum was no less than 2,00,797 L. P. gallons (2,00,000 gallons of outstill liquor and 797 gallons of distillery liquor), or 13 gallons per hundred of population (15·4 gallons in outstill area only and 9·9 gallons in distillery area only); in 1912-13 it was only 98,963 gallons L. P. or somewhat less than half what it was in 1906-07. Pachwai is the principal competitor with country spirit in Manbhum and in the other districts included in this group, and notwithstanding the extensive concessions enjoyed by aboriginal tribes, the pachwai revenue in Manbhum has expanded from Rs. 13,397 in 1906-07 to Rs. 34,184 in 1912-13 or by 155 per cent. In Santal Parganas during the same period, pachwai revenue has increased by only 32 per cent. and consumption of country spirit in 1912-13 (81,752 gallons L. P. which works out at an incidence of 4·3 gallons L. P. per hundred of population) was somewhat less than what it had been in 1907-08 (84,860 gallons L. P.); it is not clear, however, if these figures indicate a gradual replacement of country spirit by pachwai, or merely an appropriation of a larger share of the profits in the pachwai trade for the public coffers and a falling off in country spirit consumption owing to the lower prices now commanded by lac. one of the important products of the district. In Hazaribagh, Palamau, Singhbhum, and Sambalpur the figures for consumption of outstill liquor have been steadily rising from 4,12,624 gallons in 1907-08 to 5,76,977 gallons in 1912-13 while pachwai revenue has made practically no progress (Rs. 13,955 in 1912-13 against Rs. 13,438 in 1907-08). As shop-made pachwai represents only an infinitesimal percentage of the total amount of pachwai that is consumed, and as figures for consumption in outstills are always unreliable, it is unsafe to draw any inference from the slow progress that pachwai revenue has made and the large increase in recorded consumption of country spirit, but judging from outward appearances, country spirit has been steadily ousting pachwai in such portions of the Chota Nagpur Division to which the distillery system has not yet been extended. The recorded figure for consumption of outstill liquor in these districts shows an incidence of 18·8 gallons L. P. per hundred of population in 1912-13 as against 13·5 gallons in 1907-08; population increases very rapidly in this area—the increase during the decade in 1901-11 has been no less than 11·9 per cent.—and, as the figures for incidence for both 1907-08 and 1912-13 has been calculated on the same figure for population (the 1911 census figure), part of the increase in *per capita* consumption is only apparent, but clearly there has also been an actual increase in spirit-drinking.

13. In the area which we have described as the Chota Nagpur plateau, with the exception of Angul (the case of which will be considered separately later) we find, therefore, a general tendency on the part of the consumers to replace pachwai by country spirit, but wherever the distillery system has been introduced and the price of country spirit increased thereby, there has been a very marked reaction, and pachwai regains its position as the everyday drink.

14. The case of Angul has been deferred for separate examination, because in the Khondmals subdivision of this district an experiment is being undertaken which is of the very greatest interest in relation to the drink question to the whole country generally, and to areas peopled by aboriginal tribes in particular. The population of this subdivision is 74,218 almost all aborigines. Khonds, Pans and others and spirit consumption used to be very heavy; (in 1909-10, the total consumption of outstill liquor amounted to 30,000 gallons L. P. or 40 gallons per hundred people). The outstill licensees were all Sundis from Ganjam in Madras, and had been gradually ousting the Khonds from their best lands. This was naturally very much resented by the Khonds, and in 1905 a number of them had assembled to take an

oath not to drink outstill liquor. Some Sundis, however, who had got scent of the affair managed to disperse them before they had made the contemplated vow. Matters grew from bad to worse, and in 1908 the Khonds again met, and this time they took a solemn vow never to take distilled liquor again. These facts reached the attention of Government in 1910 and a very careful enquiry was instituted. The local officers expressed their conviction that the Khonds were sincere in their desire to abandon the use of alcohol and that they would co-operate with Government officials in preventing illicit distillation. It was accordingly directed that all outstills in the Khondmals be abolished with effect from the 1st September, 1910, as an experimental measure and the result watched.

15. The Deputy Commissioner reported in May, 1911, that "the money which the Khonds were spending before in buying liquor is now utilized in improving their lands and paying up their debts. Socially there has been an improvement too. Drunken brawls and drunkenness generally appear to have disappeared. The abolition of shops has not resulted in any real increase in the offences against the Excise laws, on the other hand there has been a reduction in the number of cases of illicit distillation." A year later the report was "Crime has decreased to a considerable extent and the people were able to pay up arrears of Takavi advances for several years to the extent of Rs. 18,000. The material condition of the people has considerably improved which may be attributed in part to a good harvest. Cultivation has increased and new clearances of forest lands are visible in all directions." The latest report (dated May, 1913) says "The material condition of the people has improved. They asked for no takavi advances from Government and contracted fewer loans from money lenders. New jungle tracts and hillsides have been cleared all over the subdivision for raising turmeric and oilseeds which represent the growing industry of the people. They now spend their money on clothing, utensils, ornaments and confectionery and had sufficiency of food throughout the year."

16. So far, therefore, the results of the experiment which has now been continued for close upon three years have been hopeful. It is a distressing feature, however, that the number of illicit distillation cases has steadily increased throughout this period. In 1910-11 43 persons were sent up for illicit distillation in Khondmals and 34 were convicted; in 1911-12 61 were sent up, of whom 46 were convicted; in 1912-13 the number rose to 92 and 77, respectively, or more than double the figures for 1910-11 or the year previous (44 arrests, 38 convictions). It has still to be seen if this increase in reported cases is due to an increase in illicit distillation or only to better assistance rendered by the headmen in the detection of such cases.

17. *Tari* is consumed very largely in the Khondmals, most of the Khonds owing *tari* trees which they tap themselves for home consumption, their vow does not extend to abjuration of this beverage. There is no means of ascertaining what the consumption of alcohol in this form amounts to, and whether there has been any increase in *tari* drinking since the outstills have been closed.

18. *Littoral districts of Orissa*.—In Cuttack, Puri and Balasore the distillery system has been in force from a very long time, with the exception of a small tract adjoining the Garjhat States to which also it was extended in the year 1905-6. Country spirit is in very little demand in these districts, the incidence of consumption per hundred of population being only 0·4 gallons L. P. It is reported, however, from Puri that the unsettlement of popular ideas and beliefs due to the imbibing of western ideas and tendency in the younger generation to keep abreast of the times have resulted in increased drunkenness amongst the town people. The consumption of *tari* is not very large, and the decreasing revenue from licence fees would indicate that it is steadily on the decline.

19. Turning now to the question of the province as a whole we find the following broad facts:—

- (1) Alcoholic drinks are consumed in considerable quantities in Chota Nagpur and Bihar, but the demand for them is very small in Orissa.
- (2) The consumption of country spirit is heaviest in the Chota Nagpur plateau and decreases gradually towards the north and north-east, the consumption in South Bihar being very much heavier than in the trans-Gangetic area.
- (3) The forms other than country spirit in which alcohol is taken are *tari* in Bihar and Orissa and pachwai in Chota Nagpur. No figures are available for the aggregate consumption of *tari* or pachwai and it.

is not even possible to make a guess, but it is safe to assert that consumption of alcohol in the shape of pachwai is very much larger in the Chota Nagpur plateau than that of *tari* either in South or in North Bihar. The consumption of *tari* appears to be larger in South Bihar than in North Bihar and much larger in either than in Orissa.

- (4) In all cases in which country spirit and *tari* or country spirit and pachwai are consumed in the same area, there is a keen competition between the more potent distilled spirit and the less noxious fermented beverage. So long as country spirit was selling cheap, it was slowly but steadily making headway against pachwai; in the *tari* consuming area of Bihar also the consumption of spirit had been steadily increasing, but in the absence of any reliable data it is not possible to come to a conclusion if this was because country spirit was ousting *tari*.
- (5) With the increase in price of, and stricter control over the traffic in, country spirit incidental to the distillery system, there has been a reaction, and country spirit has to some extent been replaced by *tari* and pachwai. The reaction has been very marked in the pachwai area, but not quite so much in the *tari* area, which is but natural when it is remembered that practically all *tari* (unless it is illicitly consumed) has to pay a tax, while the major portion of the pachwai that is consumed pays none. Within the *tari* consuming area (North Bihar and South Bihar) again, the proportion of displacement of country spirit by *tari* has been very much more marked in the area of heavier drinking (South Bihar) than in the area of low consumption (North Bihar).
- (6) *Ganja* is in Bihar another competitor with country spirit, but to a much smaller extent than *tari*. The use of this drug had been steadily decreasing, probably because it was being replaced to some extent by country spirit, but since the introduction of the distillery system, *ganja* has again been rising in popular favour.

20. As stated before, it is not possible even to make a guess as to the quantity of pachwai or *tari* that passes into consumption and it is not possible, therefore, to say whether the total consumption of alcohol in different shapes has been increasing or decreasing during the period of our review, or even whether the consumption of alcohol at the present day is larger or smaller than what it was 10, 20, 30 or 40 years ago. Alcohol in some form or other has been indulged in always in Chota Nagpur and Bihar by a very large section of the population. About the aboriginal races, it may safely be asserted that the whole population is, and has always been, accustomed to drink. The Hindus also of Chota Nagpur and Bihar may be roughly divided into two classes, the castes to whom drinking is a sin, and the castes for whom drinking is not only not forbidden but who would consider any ceremony or function incomplete unless drink is provided for the people assembled. The latter class form a substantial majority, not less than 70 to 75 per cent. of the total population, and includes not only the lower classes whom the effects of English education have not reached, but also some of the higher castes, notably the Kayasths, who count among their number 17,066 persons literate in English out of a total of 81,888 for the whole province. Mahomedans are required to be total abstainers, but they represent only just over 10 per cent. of the population, and it can safely be said of such of them as belong to Chota Nagpur that they mostly drink. These conditions are very unlike those prevailing in Bengal, where although nobody would lose caste for indulging in alcohol, there is hardly any class (barring Bunas and others that originally came from Chota Nagpur and other spirit-consuming tracts) who are habitual drinkers or to whom drink is a social necessity. The spirit of western education which, it was found by the Bengal Excise Commission of 1883-84, had been tending to spread drinking by shaking the authority of orthodox opinion could not, therefore, have a similar effect in Bihar and Chota Nagpur, at least not to the same extent as in Bengal, for with majority of the population the use of alcohol was not an innovation introduced with western ideas. Moreover, western education has made comparatively little progress in Bihar, and the process of social disintegration which in the opinion of the Bengal Excise Commission was tending to spread drinking among classes that never drank before has been very much less noticeable in Bihar than in Bengal. Caste restriction and caste discipline are still living things in this province. Even now, except probably in the large towns, a Brahman, a Rajput, a

Bhuinhar, or Saiyad who dares to defy society by indulging in spirituous drinks must pay the penalty for it and will be outcasted. And the effect of outcasting is much more real in Bihar than in Bengal, for the general body of the society is more orthodox.

21. The growth of towns is another factor—and probably a stronger one than the spread of western education—that has contributed to disintegration of society and has been responsible for increase in drinking in many parts of India. In Bihar this factor has not been very much at work, for although towns are pretty numerous the urban population is not growing. The total population in Bihar towns (Patna, Tirhut and Bhagalpur Divisions only) in 1911 was actually less than that in 1881 by 4 per cent., although the rural population has increased during the same period by 6 per cent.

22. In Orissa on the other hand towns have grown faster than rural tracts, and this has been particularly the case with Cuttack and Puri which in 1911 had 52,528 and 39,686 inhabitants respectively as against 42,656 and 22,095 in 1881. To the upper classes in Orissa alcohol was a forbidden article, but the spread of western education has taken away the strength of the orthodox antipathy to its use, and it is reported from Puri that "sons of Pandas and Pariharis who, by their caste, social standing and religion are prohibited from drinking have now taken to wine and the tendency to drink is on the increase."

23. The total amount of drinking in Orissa is still, however, very small and the small increase that has taken place is almost negligible in comparison with the very large reduction in spirit consumption that has been effected in Bihar and parts of Chota Nagpur by the extension of the distillery system.

24. The grounds on which the deputation sought to establish their contention that there has been "a most substantial growth in the consumption of liquor" were mainly twofold, viz., that the revenue from country spirit has been steadily increasing and so also the figure for consumption of country spirit in distillery areas. I have stated in paragraph 6 above, how in the course of the last 8 years the distillery area in this province has expanded, and while in 1907-8, only 28 per cent. of the aggregate population of the province were living within the distillery area, it comprised in the year 1912-13 all but 20 per cent. of the total. Any inference that may therefore be drawn from columns 2 to 9 of Table B of the statistics (consumption of country spirit in distillery areas only for each of the 8 years from 1905-6 to 1912-13) is apt to be wholly misleading. Nor, as I have clearly explained in paragraphs 9 to 13 above, are the figures in columns 10 to 17 of the same table, representing incidence of consumption per hundred of the population any more reliable evidence to show that consumption is increasing. I have shown clearly in these paragraphs that the consumption of country spirit has very substantially fallen off during the last few years in all parts of Chota Nagpur and Bihar to which the distillery system has been extended, and that this falling off has ranged between 20 per cent. in North Bihar to over 50 per cent. in Manbhumi.

25. There has been some decrease in country spirit revenue during this period; from Rs. 55,52,000 in 1907-8 to Rs. 54,06,000 in 1912-13. This, however, furnishes no justification for the assumption that underlies the whole of the argument based on revenue figures that the Deputation put forward, viz., that the rise or fall in revenue indicates increase or decrease of consumption. (The Deputation profess, it is true, to give due weight to the contention of the Government of India that revenue figures do not furnish a reliable guide in arriving at the facts as to the increased intemperance, but all the same one member after another quoted the increase in revenue as evidence of increase in drinking.) While consumption has fallen off between 1907-8 and 1912-13 by no less than 11·5 per cent. (10,29,500 gallons outstill and 11,57,636 gallons distillery liquor = 21,87,136 gallons in 1912-13 against 19,73,410 gallons outstill and 4,97,328 gallons distillery liquor = 24,70,738 gallons in 1907-08), the decrease in revenue has amounted only to 2·7 per cent. The figures for a few selected districts will show in a very striking manner how very misleading an argument from the revenue figures can be. Thus in Manbhumi consumption has fallen off by over 50 per cent. since 1906-07 but revenue has increased by 19 per cent. and in the Santal Parganas fall in consumption by 3·7 per cent. (since 1907-8) has been attended with increase in revenue by 6·5 per cent., while on the other hand increase in consumption by 37 per cent. in Ranchi (also since 1907-08) has, instead of bringing any increased revenue, been attended with a smaller income by 1·1 per cent.

26. The very satisfactory decrease in spirit consumption that has resulted from the extension of the distillery system so far, indicates clearly that the goal for the Excise Department of this province should be steadily to push forward the distillery area still further. It is true that the consumption of fermented drinks (pachwai and *tari*) has increased with the falling off in that of country spirit, but there is no indication that the total consumption of alcohol has increased, and as alcohol taken in the shape of *tari* or pachwai is much less injurious to the system than distilled spirit, a replacement of country spirit by *tari* or pachwai is not a result to be very much sorry for.

27. The distillery system has already been extended this year to the whole of Champaran and Muzaffarpur and the only outstill areas now consist of the Rhotas Plateau in Shahabad, the districts of Palamau and Singhbhum, the Sadr subdivision of Angul and portions of Sambalpur, Hazaribagh and Ranchi. The whole of this country is comparatively inaccessible or is interlaced with Native States with very primitive systems of excise administration, circumstances that have till now stood in the way of extending the distillery system to these tracts. A large portion of Hazaribagh has now, however, been opened up by the E. I. Railway and in Ranchi the extension of the Railway line to Lohardagga is expected in a few months' time. Daltonganj also is now accessible by rail, and proposals for introduction of distillery system in a portion of Palamau and for extension in Hazaribagh and Ranchi are already under consideration. For the area not yet opened up by railways the extension of the distillery system must be a problem for the future.

28. The case of the Khondmals subdivision in Angul may be cited by some as an argument in favour of a policy of wholesale prohibition. This would overlook, however, some very salient points connected with the state of things in the Khondmals. For one thing, the movement for reform in the case of the Khonds came from the body of the consumers themselves and not from outside. Compulsory prohibition is a very different thing from voluntary abjuration, and serves but too often as a motive for breaking the law. The comparative failure of all measures that have been taken so far for suppressing the spread of the cocaine habit shows how very futile repressive measures very often are, when the people feel a craving for a prohibited article. It cannot be said that alcohol taken in moderation is an evil of a nature which the State should consider itself called upon to prevent and the policy of the India Government in this direction has been clearly set forth in paragraph 2 of their Resolution No. 5001 Exc., dated the 7th September, 1905, which begins as follows:—

“The Government of India have no desire to interfere with the habits of those who use alcohol in moderation; this is regarded by them as outside the duty of the Government and it is necessary in their opinion to make due provision for the needs of such persons.”

Any attempt to force upon a people accustomed to drink and who do not—or at least very considerable sections of whom do not—appear to have any inclination for giving up their habit, the extreme measure that has been found suitable to the peculiar circumstances of the Khonds will be interference of a nature that no reasonable Government should contemplate.

29. In the Khondmals the very bitter antipathy that the people of the country had to the small body of alien Sundis who were ousting them from their lands has been a very strong motive of action which has helped them in keeping their resolution; similar circumstances are very seldom met with in other areas. In the absence of such a strong motive, the craving for alcohol is almost sure to return (and the failure that *Kanthidhari* and similar movements generally met bears evidence of this) and it is almost equally certain that the craving will be met by illicit means. This will create a spirit of lawlessness and a contempt of authority among the people, and it is a matter of doubt if advantages consequent on a reduction in the amount of alcohol consumed compensate for these evils.

30. Education of the people and the preaching of temperance among them coming from within is a much surer and much more desirable way of attaining the object that the Deputation have in view, viz., the practice of sobriety, than any measures that the Government can possibly take. Whenever it appears that the people of any particular locality have so far been convinced of the benefits of temperance as to abstain or even to make an honest attempt of abstaining from alcohol, Government will only be too willing to close the shops as they have already done in the Khondmals. Till, however, the people have reached this stage, the best

that Government can do is "to minimize temptation to those who do not drink and to discourage excess among those who do" while at the same time it must make provision for persons who drink in moderation.

SPECIFIC RECOMMENDATIONS MADE BY THE DEPUTATION.

31. Copies of the India Government letter with its enclosures were forwarded to all District Officers and Divisional Commissioners for expression of their opinion on the specific recommendations made in paragraph 21 of the statement submitted by Sir Herbert Roberts, Bart., M.P., on behalf of the Deputation to the Right Honourable the Secretary of State. Replies have been received from all these officers and necessary extracts are appended to this report.

32. The first recommendation made in the statement can be divided into two parts, *viz.*, (a) that licences for the retail sale of intoxicants should be reduced in number, and (b) that the hours of sale be further limited by later opening and earlier closing hours being fixed for all licensed premises. It will be convenient to discuss the two parts separately.

33.—(a) The statement below will show what action has already been taken in the matter of reducing the number of licences during the course of the last 7 years.

Name of excisable article.	Number of licences for retail vend.		
	In 1907-8.	In 1912-13.	
Country spirit	...	2,235	2,088
Foreign liquor	...	89	116
Tari	...	11,752	7,657
Pachwai	...	307	355
Ganja	...	1,312	1,334
Bhang and Majum	...	261	278
Charas	...	9	5
Opium	...	642	563
	<hr/>	<hr/>	<hr/>
	16,609	12,396	

(Licences for the home-brewing of pachwai for the sale of medicated wines by druggists and other druggists' permits, licences, for denatured spirits and temporary licences of all kinds have been excluded from the statement.)

It will be seen that the total number of vend licences has been reduced during the 7 years by no less than 25·3 per cent. and that the reduction has been most marked in the case of *tari* (35 per cent.), opium (12 per cent.) and country spirit (7 per cent.). The increase in the number of imported liquor licences is more apparent than real, for the 1912-13 figure includes 25 licences for the *off* sale of liquor in Railway Refreshment Rooms, while such sales in 1907-08 used to be covered by the Railway Refreshment Room licences. In paragraph 221 of their report the Indian Excise Committee of 1905-06 observed that there was in Bihar room for considerable reduction in the number of *tari* shops, and a steady programme of reduction has been followed since then. In 1910-11, in pursuance of the recommendation of the International Opium Conference at Shanghai a very careful examination was made of the number and situation of opium shops in all districts, and all shops that appeared to be superfluous were closed from 1st April, 1912. A similar survey has also been made of country spirit shops, and maximum and minimum numbers of shops fixed for all districts as suggested in paragraph 234 of the Indian Excise Committee's Report; attempt is made to keep the actual as near the minimum as justified by circumstances, and considerable reductions in the number of country spirit shops have been effected in recent years in the Tirhut, Orissa and Chota Nagpur Divisions.

34. Many of the District Officers are of opinion that the limit up to which reduction is possible has already been effected in their districts. The only officers who think otherwise are:—

Mr. Weston of Patna who is of opinion that it is possible to close two or three of the spirit shops in Patna City and about 50 *tari* shops in the whole district.

41. I would, therefore, leave unchanged the present hours for closing of spirit shops, *viz.*, 8 p.m. in the winter months and 9 p.m. in summer, but would fix the opening hour for all seasons at 10 A.M. The consumption of *tari* or *pachwai* in the morning hours is not as deleterious to the system as the consumption of country spirit, except when taken in large quantities, as *tari* and *pachwai* are not only alcohol but contain food as well, but as it is mostly never-do-well people who take these intoxicants in the morning hours and as later opening hours than at present are not likely to cause much inconvenience to moderate consumers, I see no objection to prohibit sale of *pachwai* and *tari* also before 10 A.M. in the morning.

42. Orders were issued last year prohibiting the sale of opium after sunset. No serious inconvenience appears to have been caused by the prohibition, but it has neither had any effect in reducing consumption, which is clearly the goal with which the recommendation for closing excise shops at an early hour has been made by the Deputation. This is natural as opium is not consumed on the premises, and can always be procured in sufficient quantity at a time to last for several days. Hemp drugs also are not consumed on the premises, can be easily carried and can be procured in sufficiently large quantities at a time. It is not likely, therefore, that restriction in hours of sale would result in any appreciable decrease of consumption; but some inconvenience is likely to be caused to the poorer class of consumers who cannot afford to make their purchases in large quantities at a time. The possibility of the cocaine habit replacing *ganja* smoking has also to be considered in contemplating any restriction on the facilities for obtaining *ganja*, and I am not, therefore, very much in favour of closing *ganja* and *bhang* shops at sunset. Any restriction in the opening hours also is not very desirable as it is generally at market-time that the purchase of *ganja* is effected; later opening hours would necessitate a double journey in most cases.

43. The second recommendation of the Deputation is (a) that the system of Excise Advisory Committees be extended to all Municipalities (b) that these committees should be made more representative and (c) that they should be given power to deal with all licences for the sale of intoxicants of every kind.

44. Advisory Committees are formed under Rule 70 of the Government Rules under Section 85 of the Excise Act (Bengal Government Notification No. 716 S. R., dated the 25th November, 1909) in towns with a population of 20,000 or more (of which there are 19 in this province) to consider and advise the Collector upon the proposals for licensing shops for the retail sale of liquor in such towns. These Committees were first formed in 1908-09, in which year four country spirit shops were closed and several had their sites changed on their recommendations. In 1909-10, on the advice of such committees one country spirit shop and 20 *tari* shops were abolished, and the sites of several country spirit and *tari* shops were changed. In 1910-11, 17 *tari* shops were closed on their recommendation and sites were changed of 56 spirit shops, 17 *tari* shops and two *pachwai* shops. In 1911, 12 country spirit and seven *tari* shops were abolished and the sites of 11 country spirit and nine *tari* shops changed. Last year the recommendations of such committees resulted in the closing of three country spirit and eight *tari* shops, and the removal of two country spirit and 16 *tari* shops from objectionable sites.

45. All the Divisional Commissioners are in favour of extending the system of Advisory Committees to all municipal towns, and district officers are generally of the same opinion. Mr. Foley, however, is afraid of "one abkar taking advantage of the existence of the committee to put obstacles in the way of another abkar and further his own ends." Mr. Rowland considers the smaller municipalities in his district are not yet ripe for the system. Mr. Verner observes that none of the towns with a population of less than 20,000 in his district have got more than one spirit shop and a few *tari* shops and adds that "the existing arrangement whereby the chairmen are consulted as to the location of shops and objections against any are quite adequate." Mr. Coupland also considers the consulting of Chairmen of municipalities sufficient but has nevertheless no objection to Advisory Committees for the smaller municipalities "if suitable members are available." Rai Manomohan Ray Bahadur is not in favour of having Advisory Committees for municipalities with population less than 10,000 unless they are at the district headquarters station.

46. I would like to see the system of Advisory Committees extended to all municipalities as well as to other areas where representative opinion is available. It gives the Collector an excellent opportunity of making himself acquainted with

different points of view from which the questions of number and location of shops may be examined. The power given to municipalities may be liable to abuse in rare instances, as apprehended by Mr. Foley, but unless the final decision in the matter of licensing rests with them, the consequences are not likely to be very serious. Moreover, the possibility of abuse in rare cases should not be allowed to stand in the way of real reform. The Advisory Committees have offered very valuable assistance in the past few years in the matter of licensing shops in the bigger towns, and it would be desirable to have similar assistance for the smaller towns as well as for rural areas. Mr. Coupland and Mr. Sen consider it impracticable to have any system of Advisory Committees for rural areas, but on the other hand Mr. Kilby believes it would be useful to know what the District Board thought of the Excise settlement proposals. Mr. A. E. Scroope is "inclined to think that the District Board should be given some powers to make recommendations regarding mufassil shops." Pandit R. B. Misra recommends "that as in cases of municipal towns the Municipal Commissioners select members for the Advisory Committees, so in the case of the interior of the district the District Board should be given the same function, and representative members from all parts of the district should be appointed to form an Advisory Committee for the determination of number and sites of shops in the rural area." The Honourable Mr. McIntosh believes "it would be a wise policy which would undoubtedly yield most beneficial results if the District Boards were brought into association with the Revenue authorities in all matters relating to the Excise Administration of their districts." My own experience of the District Boards, Local Boards, village unions and similar representative bodies make me hopeful that Advisory Committees can be formed for advising the Collector regarding shops in rural areas and that they would be in a position to make very valuable recommendations.

47. Local Advisory Committees formed last year were composed of—
The Collector, or in his absence the Sub-divisional Officer.

The Superintendent of Police, or in his absence a responsible Police officer not below the rank of Inspector.

The Chairman of the Municipality or in towns where the Collector or Sub-divisional Officer is the Chairman, the Vice-Chairman of the Municipality.

One Municipal Commissioner for each ward containing a liquor shop, such Commissioners to be elected by the general body of Commissioners.

48. The majority of Divisional Commissioners and District officers think that bodies so constituted were sufficiently representative, but the Commissioner of Orissa, the Collectors of Cuttack and Puri and the Deputy Commissioners of Manbhumi and Singhbhum hold that Advisory Committees should be made more representative than at present. The Honourable Mr. Fischer, Pandit R. B. Misra and Mr. B. C. Sen do not explain how they propose to make the bodies more representative. Mr. Hignell's proposal is that persons interested in the various industries of the district should sit on the committee as well as the Municipal Commissioners. Mr. Ghosh says "The Advisory Committees may consist of the Chairman, Vice-Chairman, Ward Commissioner or Commissioners, and a limited number of persons nominated by the local people's associations, where there are any, besides the Collector, the Excise Deputy Collector and the Police Superintendent."

49. I think it would be a good thing to include in the committee a few persons nominated by local people's associations, if there be any as suggested by Mr. Ghosh, and also large employers of labour within the town areas. The idea should, however, be the ascertainment of all shades of opinion and not the creation of any non-official majority. The functions of these committees should, in my opinion, continue to be *purely advisory*, and as such the question of an official or non-official majority has no meaning, although as I may point out even now the committees have a non-official majority, and the addition of other persons as suggested above would further increase the proportion of non-officials.

50. On the point whether Advisory Committees should advise on shops for the sale of excisable articles other than liquor, i.e., *ganja*, bhang, Charas and opium, many of the officers have offered no opinion. Among officers who have offered opinion, the Honourable Mr. Kershaw, and Messrs. Whitty, Rainy, Lyall, Dixon, Rowland and Hignell have no objection; Mr. Rainy adds, however, that it is to be remembered that licences for the sale of opium and *ganja* since the excisable article is not usually consumed on the premises, are in a different position from the spirit shops. The public generally are much less interested in questions affecting these

shops, e.g., the selection of sites, for the obvious reason "that they are not so liable to cause a nuisance if badly conducted." Messrs. Gruning, Foley and Deb are opposed to consulting the Advisory Committees in the matter of licensing shops other than those for the sale of liquor to be drunk on the premises. Mr. Foley says: "The use of these committees is to point out to the licensing authorities every kind of nuisance that arises from the shops, and every way in which they consider drunkenness might be suppressed. Shops for the sale of hemp drugs cannot very well constitute a public nuisance." Mr. Deb urges the very same thing and is also "not quite sure whether in view of the present constitution of the elective elements in municipalities the added power which the Deputation propose to vest the Advisory Committees with, would always be exercised in the interest of the public good."

51. While I do not see with Mr. Deb why Committees whom he would not suspect of underhand dealing in the matter of liquor shops should abuse their privilege when consulted with regard to drug shops, I believe there is very good reason in the argument which he as well as Messrs. Rainy and Foley have put forward, viz., that as drug shops are not likely to be public nuisances, the general public are likely to take very little interest in their number or location, and that the main functions of the Advisory Committees should be to point out to the licensing authorities every kind of nuisance that may, or do, arise from the shops and to make suggestions for the prevention of drunkenness. The advice of the Committees in matters other than such as constitute or likely to constitute public nuisances is apt to be purely theoretical and speculative, and I do not see the propriety of asking for such advice which it would very often be not possible to act upon.

52. The third recommendation of the Deputation that the auction system of licensing should be superseded by a system of fixed licence fees as recommended by the Government Excise Committee of Enquiry touches a very old controversy on which there has been considerable discussion on various occasions in the past.

53. The majority of officers now consulted are in favour of continuing the present system of auction with the safeguards imposed by the existing rules. The Honourable Mr. McIntosh, Mr. Dixon, Mr. Berthoud and Mr. H. W. F. Scroope would on the other hand introduce a system of fixed fees; and Mr. Deb would have fixed fees only in the case of shops for the sale of duty-paying articles. The Honourable Mr. Kershaw, Mr. Weston and Mr. Rainy would like to give the system of fixed fees a trial in districts where the conditions are settled and there are sufficient data for the determination of fair fees. Mr. Ghosh of Cuttack would dispense with licence fees altogether, and proposes that the entire Government demand should be taken in the shape of duty alone: which, instead of being at a fixed rate would be calculated on a sliding scale, "varying with the quantity consumed or issued, a higher rate being fixed for larger consumption and a lower rate for smaller consumption. For instance, there may be one rate of duty for issues below 25 or 50 gallons and another rate when the issues to the same shop exceed that limit up to say 100 gallons; when the total issues exceed 100 gallons the rate of duty may again be increased up to a limit say of 150 or 200 gallons." A scale like this will not, in his opinion, operate harshly on small shops with small annual consumption as compared with big shops commanding large sales, and will be more equitable. There will be contentment among vendors, sure as they would always be of some profit and it will "minimise their temptation to seek for increased consumption and to resort to all sorts of illicit practices to make up for losses consequent on enhanced licence fees, over which these men very often have no control." This proposal has clearly been made without due regard to the considerations that the distance of the shop from the place of supply and facilities or otherwise for transport are very important factors in determining whether the shop could work at a profit or not, and that a sharp distinction between a shop selling 51 gallons from one selling 49 gallons, while the latter pays no higher rate of duty than a shop selling 26 gallons cannot really be said to be a very equitable arrangement. The arrangements for checking duty must needs be very elaborate, and any mistakes made would be difficult to detect; these are other objections sufficient in themselves to condemn the proposals as unworkable in practice.

54. In the absence of actual experience, discussion of the merits or otherwise of the fixed fee system can be made only on *a priori* grounds. The arguments adduced by Messrs. Dixon, Berthoud and H. W. F. Scroope are by no means convincing and the Honourable Mr. McIntosh says no more beyond that he agrees with the Collector of Bhagalpur that all licences should be settled at fees calculated

according to issues, leaving a fair margin of profit to the vendor. Mr. Dixon meets only some of the objections ordinarily levelled against the fixed fee system, but does not put forward any positive argument why he would prefer it to a system of auction tempered by discretion. And his anticipation "that an increase in fee which is generally obtained by the auction system will be compensated by an increase in consumption which has been seen to follow settlements made on the principle enunciated above" would, if realized, be the best condemnation of the fixed fee system rather than otherwise, unless by "increase in consumption" he contemplates only a replacement of illicit supply by duty-paid articles. Messrs. Berthoud and Scroope's arguments assume that there are only two alternatives possible—either fixed fees or unrestricted auction—and lose sight of the third alternative, viz., the present sanctioned practice which is that of auction with very considerable limitations.

55. The question was discussed at great length by the Indian Excise Committee of 1905-06 in Chapter X of their Report, and they put forward a number of arguments in support of their recommendation of the fixed fee system. These arguments did not appear convincing to the Government of India, who in their Resolution No. 2997 Exc., dated the 16th May, 1907, pointed out some of the objections which the Indian Excise Committee had not met and declared in favour of a policy of auction which, however, was to be protected by very efficient safeguards.

56. The chief objections levelled against settlement by auction are—

- (1) that fees very often reach a point at which honest profit is not possible, and the licensee is therefore compelled to resort to illicit practices to save himself from loss; and
- (2) that by rendering fixity of tenure impossible, it removes all encouragement to respectable management.

57. The principal arguments against the fixed fee system are on the other hand that—

- (1) it creates vested interests—an evil which has proved in England the most serious obstacle to real temperance reform;
- (2) it fails to increase revenue in the same way as settlement by auction, while it gives no more guarantee of honest dealing or respectable management than the auction system, for the lust for profit may prove as great an inducement for resort to illicit practices as the necessity of saving one-self from loss.

58. A system of auction tempered by discretion on the lines indicated by the Government of India bears at least as much resemblance to a fixed fee system as to a system of unrestricted auction, for it is a system of auction within fixed minimum and maximum fees; while on the one hand competition among rival abkars and fixation of reserve prices guard against the shops being settled at inadequate fees, they are not on the other hand to be knocked down at bids which are purely speculative—fees at which the shops cannot be worked at a profit. This system, therefore, always ensures settlement of shops at fees at which honest profit is possible with respectable management, and while it tends steadily to increase revenue, without necessarily involving an increase in consumption, it makes the creation of vested interests impossible. It meets, therefore, some of the most important objections against either a system of unrestricted auction or an inelastic system of fixed fees. It must be admitted, however, that there is no more guarantee under this system than in any other that the management will be respectable or that the licensees' dealings would be above suspicion. Both the fixed fee system and the auction system tempered by discretion make respectable management and honest profits possible, but under either system, and very probably also under any other system imaginable, the problem of ensuring honest and respectable management is mainly a question of close and effective supervision.

59. It is possible, however, that one system may attract a better class of men than another, but this experience alone can show. While, therefore, I cannot give preference to the fixed fee system, on *a priori* grounds, to our system of auction tempered with discretion, I would nevertheless like to give effect to the suggestion of giving the fixed fee system a trial in particular localities most suited to it. If results show that, with the same amount of supervision, the fixed fee system gives a better class of abkars than what the auction system with its safeguards has done, it would be worth while sacrificing the increase in revenue that auction settlements

might have brought about and risking the possible danger from the creation of vested interests and to vote for the fixed fee system.

60. It is well, however, to make it clear at the outset that the system of fixed fees can never be applied to the settlement of outstills or to any similar cases where there are absolutely no reliable data for ascertaining consumption. In such cases the system of auction must continue, and such auction must be, in the absence of any reliable test by which the licensing authority can determine where the bidding begins to be speculative, as near an approach to unrestricted bidding as possible. This was recognized by the Indian Excise Committee who wrote in paragraph 192 of their Report : " This procedure is inevitable where there is no fixed duty levied, as in the case of outstills, licences for the manufacture and sale of country beers, and licences for the tapping and sale of *tari* where it is not subject to free-tax." The evils incidental to unrestricted auction will continue, but they are necessary evils which it would not be possible to avoid and attempts to restrict auction are only calculated to give birth to abuses of far graver nature. The remedy in such cases lies not in the search for any improved system of fixing outstill licence fees, but in replacing outstill by distillery liquor shops. As stated above, this is mainly a question of improved communications, and the experience of the past few years should be sufficient guarantee that consideration of revenue will never stand in the way of the department pushing on the steady programme of extension of distillery area to keep pace with improved facilities of communication.

61. The fourth recommendation of the Deputation is that the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committee or some other independent authority. This is clearly in their eyes the most important change necessary in any programme of temperance reform, and the Deputation explain that it is with this end in view that they desire to see the non-official element strengthened in the Advisory committees.

62. All the officers protest with one voice against the radical change which this suggestion demands, and several of them observe that the recommendation could only have been made under very mistaken impressions regarding present-day conditions in this country. The Honourable Mr. McIntosh who would himself " welcome the transfer of the licensing function from the control of the Revenue Department if it were possible to do so " expresses his conviction that " we have not reached such a stage of development as would make it possible to place the licensing function in the hands of the Local Committees." Mr. Coupland says :—

" I have personally paid a considerable amount of attention to local excise matters while on tour during the last six years. I have constantly passed orders for the removal of outstills to less prominent and objectionable sites and have on several occasions recommended and secured the abolition of outstills which I considered unnecessary. On no single occasion, however, have I ever been asked by any private individual to move or close an outstill. On the contrary, I have frequently been asked by local people, zamindars, traders and the drinking classes to open new outstills, and not to interfere with existing ones. In this district applications from zamindars (otherwise enlightened) for the removal of a shop to, or the opening of a new shop in, some village in which they are running a weekly market, are frequent, and verbal representations from villagers that they have to go long distances to get their liquor are constant. The only result, therefore, of local committees in a district like this is likely to be an increase and not a decrease in the number of outstills, and their location in more prominent positions. The proposal is to my mind, therefore, thoroughly unpractical, so far as rural areas are concerned. If the idea is that the committee should consist of persons resident at or near the headquarters of the district, it is equally unpractical, as such persons neither know nor would take the trouble to learn, even if they had the time, by personal visits of enquiry, local conditions in places 50 and 60 or even only 10 miles from headquarters.

" The transfer of powers from the Revenue Department is presumably recommended on the ground that the Revenue Department has interests other than those of temperance and morality to consider, and is likely to set increase of revenue first. But who are the unbiased persons or classes of persons who are likely to form an independent authority ? Landholders are not unprejudiced as I have shown above; nor are the merchants whose trade depends on the local markets and the success of the latter more often than not on the local outstill. The others available in most headquarters stations are pleaders and mukhtears who cannot afford, as a rule, to

quarrel with either landholders, merchants or wealthy excise vendors, to whom they have to look for the bulk of their income. The ardent abolitionist is obviously out of place on such a committee unless the object is to abolish all facilities for consumption of licit liquor at any cost.

"So far as my knowledge of the subject goes, local option has not been an unqualified success even in countries where a much higher all-round standard of civilisation and education has been attained than is at present the case in rural India, and to experiment with it at present in this country would be to court disaster."

63. It is true that Mr. Coupland speaks from experience in comparatively backward districts (Palamau and Manbhumi) and it is probable that no zamindar with any claim to being considered enlightened in a more advanced district will apply for opening a new shop in some village in which he has started a new market. At the same time, his complaint that persons resident at or near the headquarters of the district—and experience has shown that it is mostly persons of this class who would under present conditions find place in any assembly which is constituted by election or any other method ordinarily employed for securing "representative bodies"—neither know nor would take the trouble to learn, even if they had the time, by personal visits of enquiry, local condition in places 50 and 60 or even only 10 miles from headquarters, is unfortunately too real to be overlooked in a matter of such vital importance as the licensing of excise shops. Moreover, as pointed out by Mr. H. W. F. Scroope, such assemblies are likely to be composed mainly of gentlemen who are themselves total abstainers and who would not be in a position to represent the views or pronounce upon the wants of the very large majority addicted to the use of intoxicants, and could not be relied upon to deal with the question in a practical manner. They would be mostly theorists, looking upon the question from a purely prohibitionist standpoint, and the inevitable result of making over the licensing function to them would be class tyranny of a very annoying kind which is sure to be retaliated by illicit practices on a scale never known before. There is also the very great danger pointed out by Mr. Lyall of the number or location of Excise shops being made a party question by rival factions in any non-official committee to whom the licensing power might be transferred.

64. The District Officer is better in a position than anybody else in the district to be informed of all the facts and circumstances that must determine the number and location of shops for the vend of different excisable articles. This the Deputation presumably do not contend, but it is urged that "so long as the present arrangement continues the officials of the Government are under a constant temptation to obtain as much revenue as possible from the sale of liquor" and the Honourable Mr. Gokhale says in very expressive language "There is after all a good deal in the saying that no person can serve God and Mammon together, and no authority can take care of the Government revenue and at the same time take great interest in temperance." This is a very serious charge levelled against a whole body of officials, and I, as one of the condemned, find myself in a delicate position in answering that charge, for whatever I may have to say might be looked upon with suspicion as interested self-defence. Fortunately, however, the answer has been given, and in no unmistakeable terms, by the Right Honourable the Secretary of State who expresses his conviction that there are a great many officers of the Government of India "whose desire for the well-being of the people entrusted to their charge is such that they would scorn for the sake of adding something to the public revenue to encourage habits or practices obviously deleterious in character," and any observations of mine on this point would be wholly superfluous.

65. The Collector is, as I have said above, the person best informed of the conditions that should determine the question of licensing. There is no just reason to suspect that he would be actuated by any motive other than the well-being of the people placed under his charge, and it naturally follows that he is the person with whom the last word in the matter of licensing excise shops must rest. As I have said before, the local Advisory committees have rendered very valuable assistance in the last few years in the matter of licensing shops in the larger towns, and I have expressed my desire to see similar committees formed for the smaller towns also, and also for rural areas, wherever possible. The functions of the committees should, however, continue to be purely advisory as at present; the result of vesting them with larger powers which they are not in a position to exercise properly would be very different from what the members of the Deputation would like to see.

66. The Right Honourable the Secretary of State expressed, however, before the Deputation, his desire to see the apparent anomaly of the double function exercised by the same officer as a licensing as well as a revenue authority gradually disappearing and I believe I am expected to submit what I consider the best way of attaining that end. A complete separation of the two functions is not, I believe, possible, for somewhere in the hierarchy of office, the double function must be combined, so that there may be a final authority who would adjust the rival claims, where there are any, of revenue and temperance. The question for determination is, at exactly what rung of the ladder this should be. The decision should depend upon ascertaining up to what stage in the scale officers employed in the collection of revenue and processes incidental to it, are likely to be engrossed so much with the details as to lose sight to some extent of the broader question of the benefit of the subject, and to acquire a bias to place revenue before other considerations. There can be no question that the District Officer is above this stage and the general interest of the public cannot, therefore, suffer if the line were drawn just below him between him and the Excise Deputy Collector. At present the Excise Deputy Collector is what one Collector has described the "expert adviser" to the District Officer in all matters relating to Excise in questions relating to revenue as well as to licensing and one step in the way of separating the dual function would be to confine the Excise Deputy Collector to purely revenue and preventive functions and to give the Collector a second "expert adviser" for questions of licensing and other similar functions. This second "expert adviser" must also be a touring officer and should be of at least the same status as the Excise Deputy Collector. His duties will be much too heavy to be tacked on to the work of another officer, for he will not only take over such portion of the Excise Deputy Collector's work as the latter is divested of but will also have to go over much of the ground that the Excise Deputy Collector will continue to cover as part of his reduced function, e.g., inspection of shops and collection of information regarding illicit practices which are as essential for the purposes of the purely licensing as of the purely revenue officer and it will generally be necessary to post an additional Magistrate or Deputy Collector to each district for this purpose. This arrangement will add considerably to the cost of the administration, and it is a matter for consideration of the higher authorities whether such additional cost would be justified by the benefits to be derived from the separation of revenue and licensing control. My own impression is that the advantages to be obtained, while real, would not be very considerable for even under present conditions, although the Excise Deputy Collector may to some extent acquire a bias for considerations of revenue and offer advice regarding licensing from a purely revenue point of view, it is generally possible for the Collector to correct him, and to decide upon the course of action which the interests of the general public demand.

67. Very considerable attention to the selection of sites for the location of liquor shops has been paid during the last few years especially in the districts of the Chota Nagpur Division where such attention is particularly necessary on account of the large proportion of the aboriginal population. As desired, however, in paragraph 4 of the Government of India letter, I am issuing instructions again to District Officers as to the necessity of selecting shop sites as far as possible in accordance with the instructions contained in paragraph 6 of the Finance Department (Government of India) Resolution No. 5086, dated the 15th August, 1907.

68. Statements regarding the vend and consumption of foreign liquor referred to in paragraph 6 of the India Government letter have been furnished in the Excise Administration Report for 1912-13 and similar statements will be furnished in future reports. As explained, however, in the Administration Report, the figures shown in these statements give no idea whatever of the total consumption of foreign liquor in the province, for many consumers obtain their supplies by direct indent from Calcutta shopkeepers, and there is no means at present at our disposal for ascertaining the quantity so imported. The foreign liquor question, however, is not very important for this Province as its consumption is chiefly by Europeans and Anglo-Indians, and a very small section of the Indian community; for the large masses country spirit is the form in which distilled liquor is consumed.

Annexure No. 3.

Question asked by the Honourable Babu Bishun Prasad at the Meeting of the Bihar and Orissa Legislative Council held on the 29th August, 1913.

Will the Government be pleased to lay on the table a statement showing the number of shops reduced, or their sites changed, in each district of the Province separately, as a result of the representation of the Excise Advisory Committees since their formation?

Answer.

A statement showing the number of Excise shops reduced, or sites changed, in each district of the Province on the representation of the Excise Advisory Committees formed in 1911-12 and 1912-13 is laid on the table. The statement deals only with the changes effected since the creation of this Province. Information regarding the changes made on the representation of previous committees is not readily available.

Annexure No. 4.

Statement showing the number of Excise shops reduced, or their sites changed, in each district of Bihar and Orissa on the representation of the Excise Advisory Committees formed in 1911-12 and 1912-13.

District.	Action taken in 1912-13 on the recommendation of the Committees formed in 1911-12.			Action taken in 1913-14 on the recommendation of the Committees formed in 1912-13.			Remarks.
	Number and nature of shops closed.	Number and nature of shops of which sites were changed.	Number and nature of shops closed.	Number and nature of shops of which sites were changed.			
1.	2.	3.	4.	5.	6.		
Patna	—	—	—	—	1 Tari.	
Gaya	2 Tari ...	... 2 Tari ...	...	2 Tari ...	2 Country spirit.	
Shahabad	—	—	—	2 Tari ...	3 Tari.	
Saran	2 Country spirit	—	—	1 Country spirit	1 Tari.	
Muzaffarpur	1 Tari ...	... 2 Tari ...	...	—	4 Tari.	
Darbhanga	—	2 Tari ...	...	—	6 Tari.	
Monghyr	2 Tari ...	—	—	1 Tari ...	1 Tari.	
Bhagalpur	—	2 Tari ...	...	—	3 Tari.	
Puri	—	—	—	1 Country spirit	—	
Ranchi	—	—	—	1 Country spirit	—	

Enclosure 13.

Letter from the Honourable Mr. H. L. Stephenson, C.I.E., I.C.S., Secretary to the Government of Bengal, to the Secretary to the Government of India, Department of Commerce and Industry, Excise No. 506 T.—S.R., dated Darjeeling, the 27th October, 1913.

I am directed to reply to the Honourable Mr. Enthoven's letter No. 477-490—218, dated the 24th January, 1913, with which were forwarded papers relating to certain criticisms made on the excise administration in India by two deputations which waited on the Secretary of State for India in August, 1907, and July, 1912. The Government of India desire to have an expression of opinion on the special aspects of the drink question in the Presidency of Bengal, and to be furnished with statistics showing the consumption of, and taxation realized on, excisable articles of different descriptions in the old Provinces of Bengal and Eastern Bengal and Assam and in the existing Province of Bengal during each of the years 1905-06 to 1912-13. The Government of India enquire to what extent this Government would be prepared to give effect to the recommendations of the deputation in regard to the extension of the powers and functions of local advisory committees and the modification of their constitution. They enquire what further reduction, if any, is now possible in the number of shops; and they also desire to be informed as to what further curtailment is possible with regard to the hours of sale. They also intimate that they will be glad to receive any suggestions which this Government may offer in regard to the working of a system of fixed licence fees.

2. The Excise Commissioner, who was consulted in the matter, has submitted a very exhaustive report dealing with all aspects of the drink question throughout the Presidency; and he has made a detailed examination of the excise statistics of the Presidency covering a period of more than 30 years. I am now to submit for the information of the Government of India a copy of this report together with the statistics called for. Statistics have been prepared not only for the Presidency of Bengal as now constituted, but also for the Provinces of old Bengal, Bihar and Orissa, Assam as at present constituted, and those portions of Bengal which formerly formed part of the respective Provinces of Bengal and Eastern Bengal and Assam.

3. I am in the first place to invite attention to the progress that has been made during the past seven years in improving the system for the supply of country liquor in this Presidency. In 1905-06, 26,570 square miles of present Bengal were under the outstill system, and 43,312 square miles under the distillery system. In that year the Dacca Division was under a system known as the central distillery system; while the outstill system prevailed in the Rajshahi and Chittagong Divisions and part of the Burdwan Division. The outstill system entirely disappeared from the Burdwan Division and the district of Darjeeling in 1907-08, from the Rajshahi Division in 1909-10, and with effect from the 1st April, 1913, has disappeared from the Chittagong Division. The Presidency is now entirely under the contract supply system. This system possesses an advantage over outstills in regard to the quality of liquor supplied for consumption; but apart from this its adoption renders it possible to ascertain with great accuracy the actual licit consumption of country liquor and thereby to exercise more effective control. During the period that the outstill system prevailed it was not possible to ascertain with any degree of accuracy the consumption in the areas obtaining their supply from outstills; and the figures of total consumption, based as they were on estimates or on inaccurate registers maintained at the outstills, did not really represent the actual state of affairs. And their existence in conjunction with a contract supply system prevailing in other parts of the Province tended also to vitiate the statistics of consumption in these latter areas owing to the smuggling that took place from outstills to contract areas. These uncertainties and complications have now disappeared. With the introduction of the contract system the exact account of the quantity of liquor sold from each shop is now possible; the smuggling of liquor from one district to another has been lessened; and it will be possible in the future to determine with great accuracy and certainty the variations in consumption in different districts, and to determine in consequence a line of action to check the growth of consumption.

4. The Excise Commissioner has dealt very fully with all the aspects of the drink problem in Bengal, and I am to invite the attention of the Government of India to his remarks on this question. The statistics now submitted contain certain salient features of importance. The various statements give figures for the distillery areas, where the consumption was known with fair accuracy; and I am to point out that although there has been an increase in the total consumption between the years 1905-06 and 1912-13, the consumption per hundred of the population of present

Bengal shows no great variation throughout the period. There was an increase in 1907-08, to which reference will be made later; but this increase was not maintained and has not again been worked up to. A comparison too of the average consumption in Bengal with that of Bihar and Orissa and Assam is greatly to the advantage of this Presidency. This is not surprising when it is remembered that a very considerable proportion of the total population of the Presidency consists of Muhammadans, who are not addicted to country liquor. The incidence of the total revenue from country liquor also compares very favourably with Bihar and Orissa and with Assam; and generally it must be admitted that, in so far as the districts of this Presidency are concerned, the Local Government has not been remiss in taking measures to check consumption. There has been a reduction in the number of country spirit shops and in the number of retail shops per 1 lakh of population, and the number of square miles per shop has in consequence largely increased: generally the facilities for the supply of country liquor are on the whole moderate.

5. While, however, the statistics for the Province generally indicate that the average consumption and the average number of shops in the Province as a whole are moderate and compare very favourably with the adjoining Provinces of Bihar and Orissa and Assam, the excise question in Bengal is really somewhat more complicated. The statistics of consumption show that nearly half the country spirit which is consumed in this Presidency is retailed in an area of less than 400 square miles, comprising Calcutta with its suburbs, the towns of Howrah and Bally, thana Serampore in the Hooghly district, the Barrackpore subdivision, and certain thanas in the 24-Parganas. In this area no less than 402,501 L. P. gallons were consumed in 1912-13 out of a total provincial consumption in the distillery areas of 851,534 L. P. gallons. This area contains a large industrial population employed in the mills, docks, and factories in the neighbourhood of Calcutta. Outside this area there are other tracts which contain a considerable industrial population—the rural areas of the Howrah district occupied by factories and mills, the Asansol subdivision of Burdwan with its coal fields, and the Jalpaiguri district with its tea gardens: all areas containing a large proportion of immigrants from spirit-consuming tracts. It will thus be realized that the drink question in the mufassal of Bengal generally is far from being a serious matter, and that the drink problem in Bengal is mainly confined to the industrial tracts in the neighbourhood of Calcutta. This is undoubtedly accounted for in a great measure by the constitution of the population. The Eastern Bengal districts are inhabited mainly by a Muhammadan population not addicted to liquor; and any comparatively high rate of consumption in these districts may generally be attributed to the existence of a few large towns which contain an industrial population. The situation is revealed to some extent in the separate statistics which have been furnished for the Burdwan and Presidency Divisions and the Darjeeling district, and that part of the Presidency which formerly formed part of the Province of Eastern Bengal and Assam. A comparison of the statistics for these two parts of the Presidency shows that the number of retail shops per thousand of population is considerably in excess in the Western divisions as compared with the Eastern Bengal districts, while the consumption of country spirit per thousand of population is also largely in excess in the former. While the special aspect of the drink problem in Bengal thus largely centres round the industrial area in the neighbourhood of Calcutta, it must be admitted that the policy followed in the past has not been without effect in increasing the consumption both in and outside this particular area. There has been a large increase in the consumption of country spirit during recent years, an increase which has not been confined to the industrial area. The increase first took effect in the year 1907-08, and was the result of the introduction of the contract supply system to the Presidency and Burdwan Divisions and to the district of Darjeeling. The situation is clearly explained in paragraphs 13-14 of the Excise Commissioner's report. With the introduction of the contract supply system there was an almost general reduction in prices. This was due in part to the introduction of the contract supply system itself, but it was intensified by the issue of orders which laid down maximum prices at which country spirit could be retailed. The main object in the fixation of a maximum price was to reduce the temptation to illicit distillation in what were formerly outstill areas. The spirit supplied under the contract system is of a somewhat different character from that manufactured in outstills and was not at first palatable to the consumer of country spirit. Illicit spirit too can be manufactured and sold at much lower prices than licit liquor, and since in many districts considerable facilities exist for illicit distillation it was considered essential to keep prices at such a level as to reduce the temptation to illicit distillation. The increase in consumption was to some extent a

proof of the success of this policy; and the fact that it occurred immediately, was not maintained, and has not gone above the level of the increase in that year tends to support this view. These maximum prices were based on a system which in itself was sound, namely, that country spirit should not be dearer in the rural districts than in Calcutta, where wages are higher and where a large proportion of the population consists of men living in circumstances which are likely to tempt them to indulge their taste for intoxicants. It would appear, however, that sufficient consideration was not given to the prices prevailing in Calcutta, and it seems to have been overlooked that the rate of duty on country spirit in Calcutta had not been raised for many years, and that the retail price of country spirit had not risen in proportion to the increase in wages and the cost of living. It would not, however, have been expedient to enhance the rate on country spirit unless the tariff rate on foreign liquor had been increased at the same time, as with an increase in the duty on country spirit this liquor would have been subjected to competition with cheap foreign liquor, whose price was determined by the tariff rate and could not have been increased except by a rise in that rate. The fact that the increase in consumption following the introduction of the contract supply system, was not maintained, and that there was a fall in the succeeding years up to the year 1912-13 is, as the Excise Commissioner has shown, proof that there has not been on the whole any general spread of the drink habit.

6. The large industrial area within which the bulk of the liquor is consumed in this Presidency consists of Calcutta and the numerous towns surrounding it along the banks of the Hooghly, all inhabited by men belonging to spirit-drinking classes and immigrants from areas where spirit is consumed: all working under conditions which tend to the consumption of intoxicants. The considerations which have been referred to relative to the fixation of maximum prices outside Calcutta and the level of prices in that city were, it must be admitted, responsible to some extent for the increase in consumption within this industrial area. But other causes have been at work. The Excise Commissioner has shown in his notes dealing with Calcutta and its suburbs that there has been a great influx of adult male immigrants from the great spirit-drinking tracts of Bihar, Chota Nagpur, and the United Provinces, a large proportion of whom belong to the classes which drink spirit in their own country. The immigrants have migrated from their own homes to the industrial centres in Bengal in search of employment at the docks, factories, and mills, where they earn high wages. The wages of these classes have increased considerably during recent years; and the prosperity that has prevailed in the various trades has been the means of attracting numerous immigrants to this locality. These immigrants too are working under conditions which tend to the consumption of intoxicants. It has been asserted that the existence of country spirit shops leads to temptation to drink and has been the means of inculcating the habit of spirit-drinking among classes who are not accustomed to take liquor. It is difficult to deal with this allegation without a very detailed investigation, but there can be no doubt that the changes in the conditions of life generally, apart from the existence of shops, have had an effect in towns of increasing the number of those who indulge in spirituous liquor. The Hindu population too of Western Bengal have in large numbers shaken off the trammels of religion in the matter of food and drink, and in doing so have increased the number of those who consume liquor. Even under these circumstances which tend to the consumption of intoxicants, the actual consumption does not, as the Excise Commissioner has shown in paragraph 22 of his report, prove that any great proportion of this population can be even regular moderate drinkers. This Government has however realized the necessity for increasing the rate of taxation, and with effect from the 1st April, 1913, the duty on country spirit has been raised by annas 10 per L. P. gallon in most districts of the Presidency. This increase in duty, which is one step in a definite policy of realising as much as possible of the total taxation by way of duty and as little as possible in licence fees, has not however been accompanied by any diminution in the fees paid for licensed shops, and it seems not unlikely that the whole incidence of taxation will closely approximate to that on foreign liquor. It is hoped that this increase in the duty will tend to check the growth of consumption, but it will be necessary to watch carefully the consumption of foreign liquor; and if any effective check on the consumption of country spirit, unaccompanied by competition with foreign liquor, is to be obtained, it will very soon be necessary to raise the tariff against foreign liquor, as otherwise it will not be possible to force up the price of country spirit to any point which will involve a substantial reduction in consumption.

7. With regard to ganja I am to observe that there has been a slight reduction in the number of shops, but despite this the consumption has increased con-

siderably. No change in the tariff duty took place during the period, and it remained at the uniform rate of Rs. 11 per seer. This Government did not fail, however, to notice the gradual growth in consumption, and with a view to checking the increase has raised the duty with effect from the 1st April, 1913, from Rs. 11 to Rs. 15. The result is shown in a diminished consumption during the present year. As regards opium the number of shops has largely been reduced, but the consumption and revenue have increased. The incidence of taxation has increased, as in ganja, entirely out of licence fees. On the whole, however, the consumption of both ganja and opium per 1 lakh of population shows very little increase.

8. The Governor in Council has given much consideration to the recommendations of the deputation in regard to the functions and powers of Advisory Committees. He is constrained to admit that, at any rate in the industrial area, the stage has not been reached at which it can be said with certainty that the number of shops is not excessive and that all existing shops are suitably located; and he is therefore prepared to welcome freely whatever local advice can be obtained. His Excellency in Council agrees, for the reasons which have been very clearly set forth in the reply of the Secretary of State to the deputation of July, 1912, that it is not possible to admit any form of local prohibition. It is impossible to ignore the fact that local gentlemen of position, whether Hindu or Muhammadan, would be bound by religious principles or caste rules, which have practically equal binding force, to adopt an attitude of total prohibition, regardless of the customs or desires of the low caste drinking population, or of the higher castes who have not the same rules as themselves or have broken through them. The Governor in Council is not therefore prepared to put local Committees formed on a popular basis in a position of complete control. He adheres to the view that the Collector should be the final authority in all questions relating to the location and number of excise shops. There is no one in the district who is so able to take a broad view of all the circumstances, and he is not in fact in such a position of subordination to the Excise Commissioner that considerations of revenue should have any undue weight with him; it is not the case that District Officers are influenced by considerations of revenue in determining the number and location of shops. His Excellency in Council is however ready to consent to a more extended application of the principle of Advisory Committees. The rules now in force in this Presidency restrict the appointment of such Committees to towns with a population of 20,000 or more in the Western Bengal divisions; while in the Eastern Bengal districts they are appointed for only a few towns of major importance. His Excellency in Council now proposes to extend the system to all municipalities throughout the Province. The powers of these Committees will also be amplified, and they will be entrusted with the duty of advising on all questions relating to the number and location of shops for the sale of intoxicants of every kind. Two questions have also been raised in connection with these Committees, viz., whether it is desirable to make the Committees more representative of public opinion, and if so how this can best be effected, and whether the Committees should contain a majority of non-official members. Hitherto representation of public opinion on these Committees has been confined to one or two members of the municipal body, who have assisted the principal Government officers in dealing with the licensing questions. The Governor in Council has, however, no objection to enlarging the representation of the non-official community, and he would not be averse to Committees with a non-official majority. There is, of course, the difficulty that if Committees be formed on a popular basis with a non-official majority, there will unquestionably be continuous pressure to give them more real control, but His Excellency in Council considers that it would be better to constitute Advisory Committees with a strong non-official element, leaving the final decision with the Collector, than to transfer the responsibility for licensing to a mixed committee with an official majority. It is of course really immaterial whether in the case of a purely advisory committee there shall be a non-official majority or not; the correct standard that should be followed is the representation of the parties most interested. The Governor in Council proposes therefore to lay down no hard and fast rules relating to the composition of these Committees; and he will modify the existing rules so as to vest in Commissioners of Divisions the power of appointment. The Commissioner of the Division is not so intimately connected with the administration of the Excise Department, and he is not influenced by considerations of revenue in dealing with excise matters. This officer has an intimate acquaintance with the leading representatives of public opinion, and the Governor in Council would therefore entrust him with the duty of appointing for each municipality a Committee of as many members as he may think fit to advise the Collector in regard to the number of licences and location of shops. The only conditions affecting his

discretion in this matter are that he shall make due provision for the representation of both the non-official community and the Excise Department.

Outside the towns no provision exists for the formation of Committees to advise the local authorities in the matter of licensed shops in rural areas. The Governor in Council is not unwilling to extend the principle of Advisory Committees to mafassal areas, and he proposes therefore to constitute the Local Boards that exist in each district and subdivision as Advisory Committees for the areas under their charge. As these Boards are in most cases composed in part of members elected from different parts of the local areas, they will be able to put before the Collector the local views in regard to the existence and location of licensed shops, and they will in this manner constitute a valuable source of information to the Collector.

While the Governor in Council is prepared to extend the principle of Advisory Committees to municipalities generally and to rural areas, he is of opinion that the time has come to make a further advance in licensing matters in the area which falls within the jurisdiction of the Superintendent of Excise Revenue, including Calcutta and its suburbs and the towns of Howrah and Bally in the Howrah district. The Advisory Committee which deals with this area is usually presided over by the Superintendent of Excise Revenue. The Governor in Council considers that this arrangement should no longer continue. The Superintendent of Excise Revenue, Calcutta, is, in excise matters, in complete subordination to the Excise Commissioner, his public interests relate mainly to the revenue, and it is on these grounds undesirable that he should have the main responsibility of deciding questions as to the number and location of shops. In considering an alternative arrangement His Excellency in Council has come to the conclusion that a licensing authority with the full and final power of determining the number of licensed shops and their location should be appointed for Calcutta and each of its suburban municipalities and for each of the towns of Howrah and Bally. The constitution of these Licensing Boards will provide for an official majority. For Calcutta the Board will consist of the Commissioner of the Presidency Division, who will be President, the Commissioner of Police, the Chief Presidency Magistrate, the Superintendent of Excise Revenue, two representatives of the Calcutta Corporation, and one representative of the leading Temperance Association. In the other towns the Board will consist of the Commissioner of the Division, who will be President, the Magistrate of the District, the Superintendent of Excise Revenue, the Superintendent of Police, two representatives of the respective municipalities, and one representative of the leading Temperance Association. With the exception of the Superintendent of Excise Revenue, none of the official members of these Licensing Boards have any special connection with questions affecting the revenue, and their interests in dealing with questions affecting the number and location of shops would have regard to the demands for facilities for the supply of intoxicants as well as to measures for the discouragement of intemperance. Committees constituted in the manner described should command great respect, and their appointment will go far to satisfy the wishes of the Temperance party.

9. With the institution of Advisory Committees and Licensing Boards on these lines, the Governor in Council is unable to agree to any further measures for the separation of the licensing and revenue functions; and he would not favour the suggestion of the Excise Commissioner that an experiment should be made by dividing the functions between Collectors and Additional Magistrates in districts where these additional officers are employed. Apart from the fact that Additional Magistrates are as a rule junior officers with limited experience of district work and with duties mainly of a judicial nature, the Governor in Council is unable to agree to any measure which will have the effect of divesting the Collector of the district of any portion whatever of his responsibility for the entire excise administration of his district.

10. The Excise Commissioner has shown in paragraph 32 of his report the measures that have been taken in recent years to deal with the question of the number of shops. A large reduction has been effected in the number of shops in the majority of districts in the Presidency, but the Governor in Council is constrained to admit that in the industrial area the opportunities for obtaining liquor seem somewhat excessive. In Calcutta and the towns of Howrah and Bally the question not only of the number but also of the location of shops will be left to the discretion of the Licensing Boards to which reference has already been made. In other places within the industrial area as well as in the more rural districts the Excise Commissioner will be directed to make further enquiries with a view to reduction where possible. I am however to observe that it may be found necessary not to reduce but

to increase the number of shops in certain districts. While this Government is prepared to take every measure possible to discourage and restrict consumption, it is impossible to deal effectively with this question without taking into consideration the facilities for illicit distillation. This Government is faced with a very serious problem in the matter of illicit distillation; but while it has always paid due regard to the risk and to the actual prevalence of illicit practices, it has not been deterred by them from measures to increase duty and diminish consumption. The greater part of the country west of the Damodar river, where the mahua tree is common, teems with illicit distillers who are with difficulty kept in check, and the Bakarganj and 24-Parganas districts, with their large jungly and inaccessible tracts, also afford facilities for illicit distillation on a considerable scale. In the former of these two districts it would appear that the spirit of reduction has been pushed too far, and it may be necessary to increase the number of shops in order to cope with illicit practices.

11. A question of some difficulty and of considerable importance, particularly in Calcutta, to which reference is made in paragraph 35 of the Excise Commissioner's report, arises in this connection—that relative to the sites of shops. Changes in the sites of shops or even in the settlements with licence-holders must necessarily be regulated by the ability to secure a suitable shop at the approved site or to obtain a transfer of an existing lease. A decision that the demand of a certain locality shall be met from a shop situated in a certain street cannot be given effect to unless a suitable shop can be secured in that street, and under the system by which settlements are made by auction, a successful bidder may find it impossible to secure the lease of a shop which has been approved as suitable and necessary in its particular location. The principles which underlie the auction system are to some extent defeated by the fact that an existing licensee has the great advantage of possession and can retain the lease of the shop site against a new-comer. The Governor in Council cannot but think that if effective measures are to be taken to deal with the question of the reduction of the number of shops in Calcutta and the removal of existing shops from undesirable to suitable sites, Government should have power to lease, and if necessary in the last resort to acquire, sites, otherwise decisions that a particular shop should be removed may remain inoperative. The Governor in Council does not propose, however, to press this question at the present time; the situation is not at present acute. But the Licensing Boards in Calcutta and the neighbouring municipalities will no doubt be faced with difficulties in dealing with licensed shops within their areas, and if they should find it impossible to carry out effective measures of reform without the power of acquisition, they will doubtless bring the matter to the notice of Government and action will then be taken.

12. The deputation to the Secretary of State suggested that the hours of sale might be limited by later opening and earlier closing hours being fixed for all licensed premises. The rules at present in force in this Presidency allow shops to be opened at sunrise; and fix as closing hours sunset in the Darjeeling district, 9 p.m. in Calcutta and in rural areas in hot weather, and 8 p.m. in rural areas in the cold weather. Various opinions have been expressed in regard to a suggestion that the sale of intoxicants should be limited to the hours between 8 a.m. and 8 p.m.; but there is a general consensus of opinion that no harm would result from the issue of orders directing that no shops should open before 8 a.m. Outside the industrial areas the consumption of intoxicants in the early morning can amount to very little; within the industrial area it has been urged that the shops should be opened in order to supply the wants of those who having indulged in liquor overnight require a stimulant to render them fit for work, or of those who have either been on a journey or have been at work during the night. The Governor in Council cannot accept the recommendations urged in favour of opening shops at an early hour to meet such demands. They are entirely out of accord with the principles and policy of Government, which aim at discouraging habits of intemperance. His Excellency in Council sees no reason why shops should be open at all in the early morning, and he proposes therefore to issue orders directing that no shop for the sale of intoxicants shall be opened before 8 a.m. in the hot weather and 10 a.m. in the cold weather.

The question of earlier closing hours presents more difficulty. It is, of course, essential that the moderate consumer should have opportunities for supplying his wants, for unless he can obtain stimulants in a legitimate manner, he would certainly satisfy his demand by illegitimate means. In rural areas outside towns the consumer is ordinarily able to visit the licensed shop before sunset and would suffer inconvenience from a rule which directed the closure of all rural shops at that

hour. The case is different in towns, where the industrial population are at work till after sunset; and illegitimate practices, which it would be difficult to check, would certainly occur if such labourers were unable to satisfy their demands, as it is often the case that these labourers work until 7 or 8 p.m. and in some places later. The Governor in Council would not, therefore, in the case of towns, depart from the existing rule by which country spirit shops are closed in Calcutta at 9 p.m. throughout the year and in other towns at 8 p.m. in the cold and 9 p.m. in the hot weather. In rural areas and throughout the Darjeeling district the rules will be modified to provide for the closure of all country spirit shops at sunset.

Opium shops are at present closed at sunset in the Burdwan and Presidency Divisions and the Darjeeling district. The Governor in Council proposes to extend this rule to the Presidency generally, and to apply it to the case of all shops licensed for the sale of drugs.

I am, however, to observe that in deciding to modify the existing rules as to the hours of sale the Governor in Council does not anticipate that any great reduction in consumption will take place. But the strict limitation of the hours of sale should tend to the disappearance of the more vicious and deleterious forms of drinking, e.g., surreptitious indulgence, and to some extent remove the evils to which the deputation have referred.

13. On the question of closing licensed shops on the occasion of religious festivals or during the passage of processions, the Governor in Council is in entire agreement with the views expressed in paragraph 42 of the Excise Commissioner's report, that action in this direction is generally impracticable and undesirable. There may be occasions on which action of this kind is desirable; but the Governor in Council would leave it to the discretion of the Collector to close licensed shops on such occasions, should he deem it necessary or advisable.

14. The Excise Commissioner has set forth in paragraphs 43-49 of his report his views on the working of the auction system in the disposal of licences. With the views therein expressed the Governor in Council is in entire agreement, and he is not prepared to agree to a departure from the existing system. No other method exists which will enable Government to extract the maximum of revenue from the quantity of drink actually sold. Much has been written on the advantages of different systems for the settlement of licensed shops, and numerous discussions have taken place as to whether particular systems of licence fees did or did not stimulate vendors to sell more liquor. These discussions have been largely academic and infructuous. As long as a vendor has any pecuniary interest in the sale of intoxicants, he will make every endeavour to obtain the maximum profit regardless of the particular system on which his licence fee has been calculated, and nothing but considerations of profit will determine whether his policy will be to sell the largest possible quantity of watered and probably adulterated drink cheap, or a smaller quantity of strong drink very dear. The most effective check on this is the imposition of a still-head duty at as high a rate as possible, so that the margin remaining between that and the retail price is as small as possible. Over and above this such fees should be imposed as to make the profits to the vendor as low as possible: to allow a considerable margin of profit is only to encourage the trade.

15. With reference to paragraphs 4 and 5 of Mr. Enthoven's letter under reply, I am to invite a reference to paragraphs 50-53 of the Excise Commissioner's report, which indicate the measures that have been taken to give effect to the wishes of the Government of India and to put a stop to the abuses and irregularities that have taken place in the past. I am also to invite attention to the remarks contained in paragraph 54 on the subject of the statistics of vend and consumption of foreign liquors. These statistics have been furnished for 1912-13 in the Excise Commissioner's report for that year which was submitted to the Government of India with Mr. Donald's letter No. 421T.—S.R., dated the 30th September, 1913.

Annexure No. 1.

Letter from the Honourable Mr. A. N. Moberly, I.C.S., Officiating Commissioner of Excise and Salt, Bengal, to the Secretary to the Government of Bengal. Financial Department, No. 1743E., dated Calcutta, the 30th July, 1913.

I have the honour to invite a reference to your memorandum No. 288 S.R., with which you forwarded a copy of letter No. 477-490-218, dated the 24th January, 1913, from the Government of India, Department of Commerce and Industry, dealing with certain points raised by a deputation which waited upon the Right Honourable the Secretary of State for India in July, 1912.

I have been asked to report on the special aspects of the drink question in the Presidency of Bengal, and to furnish statistics showing the consumption in the taxation realized on, excisable articles of different descriptions in the old provinces of Bengal and Eastern Bengal and Assam during each of the years 1905-06 to 1912-13. I have also been asked to express my opinion on questions relating to local advisory committees, further reductions in the number of shops, the curtailment of hours of sale, the working of the auction system and sales of liquor at unauthorized hours in Calcutta.

SPECIAL ASPECTS OF THE DRINK QUESTION IN BENGAL.

2. The statistics called for by the Government of India are annexed. In addition to those for the old provinces of Bengal and Eastern Bengal and Assam, the figures for (1) Bihar and Orissa, (2) Assam, (3) Eastern Bengal, (4) the existing Presidency of Bengal, which comprises the two areas last mentioned, have been shown separately, since it is only with facts which relate to the existing Presidency of Bengal that this report will deal.

In explanation of the statistics relating to country spirit, it must be mentioned that in 1905-06 the outstill system was in force in part of the Bankura district and throughout the Chittagong and Rajshahi Divisions, including the district of Darjeeling. The system of contract supply was substituted for the outstill system in the Darjeeling district in 1906-07, and was introduced throughout the Bankura district in 1907-08, and the Rajshahi Division in 1909-10. The difference between the figures for the revenue from outstill liquor in 1909-10 and in 1910-11 is mainly due to the fact that the outstill system was in force in the districts of Rajshahi, Jalpaiguri, Bogra and Pabna for two months of the former year. The differences in the population of equal areas in the two years are due to the fact that the figures ascertained at the census of 1911 from 1910-11 have been taken up to 1909-10 and those of the census of 1911 from 1910-11. It may be added that the outstill system has been abolished in the Chittagong Division with effect from the 1st April, 1913, and that the system of contract supply is now in force throughout the Presidency of Bengal.

The following figures show the divisional consumption of country spirit under a fixed duty system in terms of London proof gallons in the years 1905-06 and 1912-13 : -

		1905-06.	1912-13.
Burdwan	..	77,297	160,339
Presidency	..	340,861	434,667
Dacca	..	34,084	54,602
Chittagong	..	—	—
Rajshahi	..	—	199,924
Total	..	452,242	849,538

It will be seen that the increase in consumption as shown in the statement called for by the Government of India amounts to 397,296 L. P. gallons. 210,190 L. P. gallons of this increase are, however, accounted for by the Rajshahi Division, and part of the Bankura district in which the outstill system was in force in the earlier year. The actual increase therefore in the areas for which the licit consumption at both periods is known was 187,106 L. P. gallons, or 41 per cent.

3. In order to arrive at as definite conclusions as possible on the subject of the drink question in Bengal, I have made a detailed examination of the excise statistics of this Presidency covering a period of more than 30 years. The results will be dealt with generally in this report, but, as conditions vary widely in different places, I enclose notes which embody further details relating to smaller areas.

4. In Bengal alcohol is consumed in the form of country spirit, *tari*, *pachwai* and foreign liquor (which, under the present definition, includes not only imported liquors, but also country rum and certain other potable liquors which, though manufactured in India, are taxed at the tariff rate). Country spirit and foreign liquor are drunk in every district. *Tari* is consumed in considerable quantities in the districts of Hooghly, Howrah, 24-Parganas, Calcutta and Malda, and to a less extent in Burdwan, Midnapore and Murshidabad. *Pachwai* is extensively used in the districts of Burdwan, Birbhum and Bankura, in all of which it yields a larger revenue than country spirit. Much is also drunk in Jalpaiguri and Darjeeling. In these two districts as well as in all the other districts of the Rajshahi Division

and in Dacca and Mymensingh home-brewing is permitted, and, except in Darjeeling, there are no shops. *Pachwai* is also of considerable importance in Murshidabad, and is consumed, though to a smaller extent, in Midnapore, Hooghly, Nadia and Chittagong. Of all these articles country spirit is the only one of which the consumption in each district has ever been recorded in terms of a definite standard—the London proof gallon. And, even in the case of country spirit, statistics are only available for areas for the time being under the central distillery system or the system of contract supply. Statistics of consumption under an outstill system, however carefully they may have been framed, are at best approximate estimates and cannot be implicitly relied upon. And, of course, even the most reliable statistics refer only to country spirit which has paid duty and can take no account of the produce of illicit distillation. It is known that in several districts and notably in Burdwan, Bankura, Midnapore, Hooghly, 24-Parganas and Bakarganj the amount of liquor which is manufactured illicitly is considerable. As compared with the total consumption of the Presidency the amount is probably small, but the effect of a poor *mahua* crop on licit consumption in Midnapore and Bankura appears to indicate that, in some cases at any rate, it is sufficient to affect the figures of the districts concerned to a marked extent. At the same time any attempt to estimate the actual quantity of illicit liquor consumed would give even less reliable results than an estimate of consumption under an outstill system.

5. The consumers of *tari*, *pachwai* and foreign liquor are largely persons who do not drink country spirit. *Tari* is regarded by many as a comparatively harmless summer beverage; *pachwai* is chiefly consumed by aborigines who use no other intoxicant; whilst foreign liquor is the stimulant used by Europeans and by such Indians of the upper and middle classes as have taken to the use of alcohol. At the same time immigrants from the spirit-consuming areas of Bihar and the United Provinces drink *tari* in the hot weather; a certain number of aborigines and low caste persons of aboriginal extraction, especially in Western Bengal, prefer country spirit to *pachwai*, and mill hands in the neighbourhood of Calcutta and immigrants from Nepal have been known to consume the cheaper kinds of foreign liquor in considerable quantities. It will be shown below that a marked increase in the price of one form of alcohol tends to cause its partial displacement by other forms which may be rendered comparatively more attractive either by their cheapness or by other reasons; and, if its price remains high or increases, what may be regarded as the natural increase in its consumption tends to be diverted wholly or in part to other forms and to cause an abnormal expansion in their consumption, whilst the consumption of the form of alcohol, of which the price has been raised, increases less rapidly than might have been expected, remains stationary or actually declines according to the extent to which the increase in its price has placed it beyond the reach of those who might ordinarily be expected to use it.

6. The deputation did not lay very great stress upon the forms of alcohol other than country spirit, and this is perhaps natural, partly because country spirit is the form of alcohol which is most widely used by the people of India, partly because spirituous liquors are generally regarded as more deleterious than fermented liquor since a given quantity contains more alcohol, and partly because the published statistics afford a more direct indication of the consumption of country spirit in specified areas than of *tari*, *pachwai* or foreign liquor. It is, however, necessary to take the consumption of the latter forms of alcohol into consideration in attempting to deal with the drink question in this Presidency, not only because the amount of alcohol consumed in these forms is considerable, but also because they cannot be regarded as entirely independent of one another. The demand for alcohol may show a preference for satisfying itself by the consumption at one time of one form of alcohol and at another time of another form. This preference may sometimes be dictated by fashion, but price is more often the determining factor.

7. Before dealing with the main question of the taxation and consumption of country spirit, therefore, it is desirable briefly to examine the methods of taxation of the other forms of alcohol and to consider how far such statistics as are available can be regarded as an indication of the extent to which they are consumed. It may be mentioned here that the relative prices of liquors and drugs have also, in all probability, interacted upon their consumption at different times—it has certainly been reported that *ganja* has at some times and in some districts competed with country spirit. But there is little evidence that the competition between drugs and liquors has ever been so great as to affect the total consumption of either to any marked extent. The statistics of the consumption of opium have, moreover, been largely affected by smuggling; and those of *ganja* by changes in the form in which

the drug is manufactured, by alterations in the rate of duty, and by improvements in the measures taken to ensure that it does not reach the consumer without paying duty. The use of cocaine as an intoxicant is of comparatively recent growth, and is believed to be confined to Calcutta, and to certain towns in the districts of Burdwan, Hooghly, Howrah, 24-Parganas and Dacca. It is absolutely prohibited, and the amount consumed cannot even be estimated. These facts render this part of the subject so obscure that it seems best to abandon any attempt to estimate the effect of drugs on the consumption of alcohol.

8. In some districts *pachwai* may be manufactured for home consumption either without payment or on payment of a small annual fee. In these districts there are no means whatever of estimating the amount consumed. There is nothing to show how much *pachwai* each licensee manufactures, and the revenue is not an exact indication of the number of consumers. But except the districts of Dacca and Mymensingh, in which the effect of *pachwai* upon the consumption of country spirit has been of little importance in comparison with the effect of foreign liquor, all the districts in which the home-brewing system is in force are districts in which the outstill system has only recently been abolished, and in which, with the possible exception of Malda, there is little reason to believe that the consumption of country spirit has been appreciably affected by *pachwai*.

Elsewhere the taxation of *tari* and *pachwai* takes the form of a monthly licence-fee, which gives the right of manufacture and sale. Increasing licence-fees may indicate larger consumption or higher prices or both, but in what proportion cannot be ascertained with any great such degree of accuracy. Both *tari* and *pachwai* are considerably cheaper than distillery or contract liquor, though they are consumed at lower strengths. *Pachwai* is directly affected by the price of rice, which is the material from which it is manufactured, and this may be regarded as some evidence that in the case of *pachwai* higher licence-fees indicate increased consumption and not larger profits due to enhanced prices. For the price of rice has risen considerably during the last 20 years, and it would have been difficult for *pachwai* to retain its popularity, which is largely due to its comparative cheapness, if its price had risen more than in proportion to the general increase in the price of food grains. *Tari*, on the other hand, is only affected by high prices in the same indirect manner as all excisable articles, that is, by the smaller margin left to the consumer for expenditure upon luxuries. Both *tari* and *pachwai* are affected by illicit practices. The illicit manufacture of *pachwai* is prevalent wherever it is largely consumed, as its production is an extremely simple matter and the materials are always at hand. The illicit sale of *tari* is chiefly carried on by persons who tap the trees either on behalf of or with the connivance of licensed vendors or primarily for the manufacture of *gur* or molasses.

There is no certain method of enhancing the retail price of an article which is taxed solely by means of licence-fees and over the manufacture of which there is no regular supervision. An increase in the price of the materials from which it is manufactured may have this effect, and so may an increase in the amount of licence-fees. But, in the absence of accurate data as to the cost of materials, the extent of consumption and the actual selling price in each shop, it is impossible to regulate licence-fees with any degree of nicety; and whilst, in the absence of any obvious reason to anticipate a decrease in consumption or to regard the licence-fees of a particular year as excessive, the fees for each shop are not ordinarily allowed to fall much below the average of the last three years, the price which is ultimately paid is very much what the vendors settle between themselves at the auction, subject of course to the refusal of bids which are obviously speculative or malicious. And, when it is remembered that as consumption increases there is room for a more than proportionate increase of licence-fees and that this increase can be larger when an article is taxed by licence-fees alone than when part of the taxation takes the form of a duty on the amount of alcohol consumed, it will be seen that with a steady increase in consumption *tari* and *pachwai* can bear a very large increase in licence-fees before the vendors are forced to increase their prices. It may be taken as practically certain that the price of neither of these articles has ever been high enough in comparison with the price of foreign liquor or of distillery spirit to offer any inducement to a person who prefers them to abandon them for the latter articles, though a reduction in the price of country spirit may result in persons who prefer it, but who consume *tari* or *pachwai* because of their cheapness, taking to country spirit instead. On the other hand, a considerable increase in the price of country spirit may cause persons who normally drink it to give it up in favour of *tari* or *pachwai*. There are indications that both these results have taken place. They

will be referred to in greater detail below. I have been unable to discover any evidence that *tari*, *pachwai* and foreign liquor have ever competed with one another.

9. Foreign liquor is taxed by means of a fixed duty in addition to licence-fees. The fees for such classes of licences as those for sales on steamers or in hotels, restaurants and railway refreshment rooms are fixed. Fixed fees have always been charged for the privilege of selling foreign liquor in country spirit shops in Calcutta. Outside Calcutta all licences for the retail sale of foreign liquor in shops were formerly settled by auction, and they made no distinction between sales for consumption on and off the premises. In recent years the number of licences for the consumption of foreign liquor on the premises has been considerably reduced, and the right to sell by the bottle for consumption off the premises is now in most cases settled on fixed fees. This change of system, which was introduced gradually and which is still in progress, renders it impossible to base any estimate of recent fluctuations in consumption in the different districts upon a comparison of the licence-fees for different years. For the earlier years, when all foreign liquor shops outside Calcutta were settled by auction, the licence-fees are of more value as a guide, but, even so, they give no indication of the amount of liquor transported by private persons for their own use or of the amount consumed under licences for steamers, railway refreshment rooms, etc. It should also be borne in mind that it has always been the policy of Government to restrict the number of foreign liquor shops, as of shops for the sale of other excisable articles, to places in which there was a population habituated to its use, and that, although at one time the number showed a tendency to increase in certain districts owing to an increasing demand, it has never been admitted that the people of any locality consumed foreign liquor to the exclusion of country spirit. Foreign liquor shops have usually been confined to towns. In some districts they are found in important bazaars, but they have never been established in the smaller villages. The neighbouring rural population visits the places where these shops exist and has there had opportunities of obtaining foreign liquor. There is no restriction on the amount which may be possessed for private use. Whilst therefore the purely rural population has never had facilities for the habitual consumption of foreign liquor in the shops, its members have had some opportunity of obtaining it from them, and it is impossible to say how far the shops have influenced consumption beyond their immediate neighbourhood. With these reservations fluctuations in the licence-fees for the retail vend of foreign liquor outside Calcutta may be regarded as some indication of fluctuations in the consumption of that article, and especially of its consumption by the classes of which the members would not transport foreign liquor for their own use, that is to say, of the lower and less well-to-do classes, at any rate up to the year 1904-05. A large increase in such licence-fees in any district may be taken as an indication of increased consumption. This increase may have taken place among persons who had formerly drunk country spirit. In some places weak kinds of foreign liquor have at times been obtainable at a lower price and certainly in a more attractive form than a stronger form of country spirit, and in such places some persons probably abandoned country spirit for foreign liquor, and others, who would normally have taken to the use of country spirit, may on growing up have taken to foreign liquor instead. Part of the increase may also have been caused by the fact that persons who already consumed foreign liquor were enabled by increasing prosperity to drink more of it, and part by the accession of members of the upper and middle classes who had not previously taken alcohol in any form. The converse is true to some extent. A reduction in the price of country spirit or an increase in the price of foreign liquor, especially if combined with restrictions upon the form in which it may be sold, will cause those to whom cheapness is the primary consideration to turn from the latter to the former. Influences of this kind, have, however, only been at work in later years, and, as has been explained above, recent reductions in the amount of licence-fees cannot be regarded even as an approximate indication of their effect.

It is necessary to point out why it should be impossible to obtain accurate statistics of the consumption of an article which is primarily taxed by means of a fixed rate of duty per London proof gallon. Whilst the duty on country spirit is levied on the amount of alcohol issued to each retail shop, foreign liquor is chiefly imported into Calcutta by wholesale dealers, and the duty is levied at the time of import or of removal from bond. Accurate statistics of the amount of duty so levied are available, but they throw no light whatever on the subsequent history of

the liquor, and give no indication of the place in which the liquor is consumed or even of the year in which it is consumed. There was at one time a system under which imported liquor in transit from a wholesale dealer to a mufassal retail vendor was covered by a pass. This system has been discontinued, and, even whilst in force, it did not furnish statistics of sufficient accuracy for purposes of comparison. For the passes gave no indication of the strength of the liquor transported, and liquor transported by private persons for their own use was not covered by passes at all. Since the abolition of the pass system the only means of ascertaining consumption is an examination of the accounts kept by vendors. It is obviously to the interest of these persons to show as small consumption as possible. Cases have occurred in which vendors have willingly paid fees which, according to their accounts, must have involved them in heavy loss. Little reliance can therefore be placed on figures obtained from this source.

Theoretically it is easy to increase the price of foreign liquor to any extent that may be desired by merely increasing the tariff rate of duty. But there is the practical difficulty that it is the form of stimulant naturally used by certain classes which are accustomed to the use of alcohol, and not all the members of which are well-to-do. The tariff rate has been increased by more than 50 per cent. since January, 1906, and is now Rs. 9-6-0 per L. P. gallon. Although increases in the rate of duty on country spirit may require a further enhancement of the tariff rate, there must clearly be a limit to such enhancements.

10. The way has now been cleared for an examination of the subject of the consumption of country spirit, which is the form of alcohol to which the members of the deputation almost exclusively confined their speeches. In the course of this examination the effect on the consumption of other liquors of action taken primarily with the object of regulating the use of country spirit will be considered as occasion arises.

During the earlier years of management by the British Government there were repeated changes in the system of excise of country spirit, the outstill system and the central distillery system being the forms most frequently adopted. The last general change from the central distillery system to the outstill system was effected between the years 1870 and 1880. In 1883-84 a Commission was appointed to ascertain the causes of the serious increase in drinking and to make suggestions for their removal. The Commission made exhaustive enquiries. They attempted to estimate the number of consumers in each district, but notwithstanding the care which they devoted to this subject, they were forced to admit that the result was unsatisfactory. From a series of elaborate calculations they arrived at the conclusion that the amount of country spirit produced in outstills and central distilleries in 1883-84 was more than double of that so produced in 1875-76, but the figures necessarily take no account of illicit distillation and smuggling which the Commission held to have been very common in the latter year, but to have largely disappeared with the extension of the outstill system. They found that there had been a general increase in the consumption of excisable articles, but that the increase had undoubtedly been greatest in the case of country spirit. They attributed this increase primarily to the effect of social, moral and religious changes in relaxing the restrictions, which at a former period had kept large classes from indulging in spirituous liquors, and in preparing those classes to take advantage of all opportunities for increased drinking afforded to them either by their own improved circumstances or by changes in the excise system. They arrived at the conclusion that the extent of the evil throughout the greater part of Bengal proper had been greatly exaggerated, and that the actual number of consumers was small except in the districts of the 24-Parganas, Hooghly, Howrah and Burdwan, in such cities as Calcutta, Dacca and Murshidabad, and in exceptional tracts like Serajganj in Pabna. At the same time they found that, whilst there was nothing to show that drinking had ever prevailed among many large sections of the population or that it had begun of late to spread among them, yet there were symptoms of its appearance among classes, which had hitherto been precluded from drinking by religious scruples or by social sanctions, and there was a marked and grave increase in the number of drinkers among the classes which had always been in the habit of drinking, especially in the towns.

11. With a view to an improvement of the system of the excise of country spirits, the central distillery system, which had been in force all along in Calcutta and its immediate neighbourhood, was extended to the towns of Burdwan, Murshi-

dabad and Dacca in 1885-86, to the whole of the districts of Howrah and the 24-Parganas in 1889-90, and throughout the Burdwan, Presidency and Dacca Divisions in 1890-01. A large reduction was also made in the number of shops. The effect of this measure was, except in the immediate neighbourhood of Calcutta, to cause a rise in the price of country spirit and a decrease in the licit consumption. It is unfortunately impossible to obtain accurate statistics under either head, though the reports of the period express no doubts as to the facts. It is always difficult to ascertain retail prices, and, when unrestricted, they vary from shop to shop and even in the same shop. It is clear, however, that the imposition of rates of duty, which were by no means low, must alone have necessitated an increase in prices whilst licence and distillery fees added to this result. The concentration of manufacture in one place did not reduce the cost of production, as the same primitive methods continued, whilst transit expenses added to the cost price in the outlying shops. There was not always sufficient accommodation for all the vendors in the central distillery, and those who could not manufacture their own liquor had to buy it from those who could do so at prices fixed by the latter, a fact which told against the small independent vendor and tended to throw the trade into the hands of a ring of monopolist distillers. The reduction in the number of shops tended to eliminate competition which might have operated to keep prices down. At the same time the anxiety of the vendors to secure a sufficient interest in the limited number of shops to enable them to live by their hereditary business tended to force licence-fees up and thus steadily to increase the incidence of taxation and the retail price.

The tendency for prices to increase was greatest in rural areas where the shops were few and small and at a distance from the source of supply. In urban areas and in larger shops it was less marked, whilst in the congested area in the neighbourhood of Calcutta, where shops were large and necessarily less distant from one another, the element of competition played its part and prices remained practically stationary. This result was exactly opposite to what would have been desirable. In all the agricultural districts, where, if anywhere, the influences of village life and of the caste system might have been expected to persist and public opinion to have some force, the incidence of taxation increased steadily and every factor combined to raise prices. In the congested industrial area, where restraints were less and the means to indulge in intoxicants greater, taxation and prices were little affected.

The immediate result of the rise in the price of country spirit was necessarily to cause a decrease in its licit consumption in the areas in which the outstill system had previously been in force. A considerable rise in the price of an article which is consumed by the poorest classes must inevitably have that effect. It is, however, impossible to say how great the decrease was. The figures estimated by the Excise Commission have been referred to in detail in the separate notes; but although considerable care was devoted to their preparation, and although the estimate was probably as near the mark as any estimate of consumption in an outstill area can be, they bear so little relation to the recorded consumption of 1890-91 that I think that they must be discarded. The fact that the revenue from country spirit decreased in every district in which the change of system was effected and that it did not immediately recover confirms the view that prices had increased and licit consumption declined. For there are three factors—taxation or revenue, prices and consumption. If prices and consumption had remained unchanged whilst the revenue fell, it must have meant that taxation was lower and profits higher. The result would have been competition to share in the increased profits and an immediate recovery of the revenue. If prices had increased the profits on an undiminished consumption would have been greater still and prices would only have been reduced if there had been prospects of larger profits from increased sales. But in the absence of any accurate data as to either prices or consumption before 1890-91 the fact of a diminished revenue is no guide to the extent of the decrease in consumption.

12. The 23 years which have elapsed since the general introduction of the central distillery system into the Burdwan, Presidency and Dacca Divisions may be divided into two periods. In the first, which covers the 15 years ending in 1904-05, conditions were fairly uniform. The tendency for prices to increase persisted, and, generally speaking, the increase, which was sudden and considerable in 1890-91, was gradual and continuous throughout the period except in areas in which the rate of duty was reduced. Similarly consumption did not reach its lowest point in the first year, though it nowhere decreased throughout the period. In most of the industrial areas there was a recovery and in some a large increase in consumption which, notwithstanding the increase in taxation, kept the incidence comparatively

low and prevented any marked increase in prices after 1890-91. In the other districts there were seasonal fluctuations, but, generally speaking, no increase in consumption, which remained fairly stationary, somewhat above its lowest level.

13. The second period, which comprises the last eight years, has been remarkable for a general increase in the recorded consumption of country spirit, which has not been confined to the industrial areas, and it is now necessary to consider the new influences, not present during the first period, which have contributed to this result. The most important of these, in the districts of the Presidency and Burdwan Divisions outside Calcutta, was beyond doubt the almost general reduction of prices which accompanied or followed the introduction of the system of contract supply. This system was introduced into the district of Midnapore in 1905-06, into Murshidabad, Jessor, Khulna and Darjeeling in 1906-07, into the remaining districts of the Presidency and Burdwan Divisions in 1907-08, and into the rest of the present Rajshahi Division in 1909-10. Where it replaced the central distillery system it would probably have operated in any case to reduce prices and thus to increase consumption, at any rate for a time, as it enabled the retail vendors to obtain their supplies at a low fixed price and removed the disadvantage under which those who were not also distillers had previously laboured. But the effect was intensified by the issue of orders fixing the maximum prices at which country spirit might be retailed in each area into which the system was introduced, with the exception of Calcutta and those districts of the Rajshahi Division into which the system was introduced in 1909-10. These prices were in most cases lower and in some districts much lower than the rates which had previously prevailed. Standard strengths, at which alone the liquor might be sold, were also fixed in all these districts except Calcutta, and vendors were no longer allowed to dilute their liquor as they chose. This measure was also probably not without its effect on the consumption, as consumers in many cases got more alcohol and less water in a bottle than before. The principle on which the maximum prices were ultimately fixed was that in areas in which the rate of duty was the same as in Calcutta the prices should be slightly lower than those in Calcutta, whilst in areas in which the rate of duty was lower prices should be nearly proportionate to the rate of duty. The weaker liquor was made slightly cheaper than the stronger in proportion to the amount of alcohol which it contained. These principles was departed from in two cases—in the areas of Midnapore, Bankura, and Darjeeling, in which the outstill system had previously been in force, a weak liquor of 70° U. P. was issued at a preferential rate of duty and a specially low price, and in Birbhum and the Asansol subdivision of Burdwan the maximum prices were fixed somewhat higher than in other areas in which the same rate of duty was in force, as there was some fear that country spirit might compete with *pachwai*.

The country spirit consumed in Calcutta was issued at strength of 18° U. P. and was believed to be sold at prices varying from Rs. 9 to Rs. 10 per gallon of that strength. As, however, the vendors were allowed to dilute the liquor before sale and as the bottles used varied considerably in size, it was impossible to ascertain the rate which actually prevailed with much certainty.

The standard strengths at which country spirit might be sold were fixed in 1907-08 at 20° U. P. and 50° U. P. The maximum prices per gallon were as follows:—

	Duty, Rs. 5-0-0.			Duty, Rs. 3-12-0.			Duty, Rs. 2-8-0.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
20° U. P. ...	8	12	0	7	0	0	5	4	0
50° U. P. ...	5	4	0	3	15	0	2	10	0

In Birbhum and the Asansol subdivision of Burdwan, where the rate of duty was Rs. 2-8-0, the maximum prices were fixed at Rs. 6-2-0 and Rs. 3-8-0 for the two strengths.

The principle on which maximum prices were fixed seems to have been generally correct. Country spirit should not be dearer in the rural districts than in Calcutta where wages are higher and where a large proportion of the population consists of men living in circumstances which are likely to tempt them to indulge their taste for intoxicants. But the fact that the rate of duty in Calcutta had not been raised for 20 years and that the price of country spirit had not risen in proportion to the

increase in wages and the cost of living seems to have been overlooked. The increase in the consumption of country spirit throughout the area in which the central distillery system had previously been in force might have been less marked if steps had been taken to increase the price of intoxicants in Calcutta and if the maximum prices in the other areas had been pitched correspondingly higher. It would, however, have been a doubtful expedient to enhance the rate of duty on country spirit in Calcutta unless the tariff rate had been increased at the same time. When the rate of duty was enhanced in 1908-09 foreign liquor appears again to have replaced country spirit to some extent, and the balance was only redressed when the tariff rate was enhanced in 1910.

14. Two points call for special notice in connection with the increase in the recorded consumption of country spirit which followed the fixation of maximum prices at a figure which was generally lower than the prevailing rate. The first is the question as to how far this increase was due to the fact that the reduction of prices checked illicit distillation by enabling those, who had been driven by high prices to satisfy their demand from illicit sources, to purchase what they required from the shops. It is certain that whilst the Bengal Excise Commission had recorded a finding that illicit distillation had largely disappeared under the outstill system, it was reported after the introduction of the central distillery system, that it was being very largely resorted to in several districts, especially in those in which the *mahua* tree is common. To such an extent did illicit liquor take the place of country spirit, which had paid duty, in the more hilly tracts of Bankura and Midnapore, in which *mahua* is abundant, that it was found necessary to reintroduce the outstill system into parts of these districts after the central distillery system had been in force for a year. But the prices which were fixed when the system of contract supply was introduced were in no case low enough to enable the contract liquor to enter into competition with the illicit article at an approximately equal price; and the fact that outstill liquor had apparently been able to do so is additional evidence of how large an increase in prices must have followed the introduction of the central distillery system. The increase in the recorded consumption of country spirit was not markedly larger in districts in which illicit distillation is known to be common than in districts in which it is believed to be rare. The number of cases detected in the former areas shows no tendency towards a permanent decrease. In the old outstill tracts of Bankura and Midnapore a bad *mahua* crop has more influence upon licit consumption than a number of successful prosecutions. Whilst it is possible that a reduction in the price of licit liquor may have caused some of the more law-abiding members of the public to use it instead of illicit spirit, there is nothing to show that this can be held to account for any large part of the increased consumption. Not only was its price too high for effective competition, but in some places consumers prefer the stronger flavour of spirit produced in the country still. At the same time it would not be safe to assume that the price of country spirit can be raised indefinitely without fear of adding to the amount of spirit which is distilled illicitly, especially in districts in which materials are abundant and cheap or in which the natural features of the country render detection difficult. But it would appear that the extent of the danger may easily be overestimated. The greater part of the illicit consumption, which followed the abolition of the outstills, remains and will continue until it is forcibly suppressed, as there is no possibility of enabling licit spirit to compete on equal terms with illicit liquor unless the price of the former article is reduced to a level which would stimulate consumption to a dangerous extent. Any increase in price will tend to drive a certain proportion of the consumers in such districts as have been specially referred to above to illicit practices just as a reduction in price will tend to check such practices. But, unless the change in prices is considerable, the effect in either case will probably be small in comparison with the total amount of liquor, which will be produced illicitly until the excise establishments have been strengthened sufficiently to put a stop to the practice.

In some places, and notably in the district of Bakarganj, illicit distillation appears to be due in part to the difficulty of obtaining duty-paid liquor owing to the small number of shops. Here, again, an alteration in prices will have little effect: the remedies must be sought elsewhere.

15. The second point which calls for notice is the fact that outside the industrial areas, in which the fixation of maximum prices has had comparatively little to do with the increase of consumption, since vendors are often able to sell below them, the increase in the consumption of country spirit took place in the first

year in which the reduced prices were in force and consumption has since been almost stationary. This appears to indicate that the reduced prices have caused no general spread of the drink habit. Had this happened, there would have been a continuous increase. The sudden increase in one year points to three causes, first, that consumers were enabled to obtain more alcohol for the same price and therefore drank more (though not necessarily more at a time or to excess), second, that some consumers gave up illicit distillation and drank licit spirit instead, and, third, that some consumers who had previously taken their allowance of alcohol in other forms now consumed it in the form of country spirit. The greater part of the increase must, I think, be attributed to the first of these causes.

16. But the contract supply system was not introduced into the Dacca Division, and no action was taken to reduce the price of country spirit in that area. Other reasons for an increased consumption of country spirit must therefore be looked for, and they are to be found in two factors which acted directly upon the consumption of foreign liquor. The first was the rise of the *swadeshi* movement in the latter part of 1905-06, one result of which was that it became fashionable to drink country spirit instead of foreign liquor; the second was the enhancement in the tariff rate from Rs. 6 to Rs. 7 per L. P. gallon in January, 1906, which was followed four years later by a further enhancement to Rs. 9-6-0 per L. P. gallon. The effect of the latter enhancement was intensified by the restrictions placed upon the strengths at which foreign liquor might be sold which excluded the weaker and cheaper forms from the market, by the control established over compounding and bottling, and, in the Dacca Division, by the withdrawal of the right of selling country rum in country spirit shops. The effect of the *swadeshi* movement was chiefly felt in the Dacca Division, but the enhancements of the tariff rate and the general restrictions which were placed upon the trade in cheap foreign liquor affected all the districts in which foreign liquor was consumed.

17. An attempt may now be made to ascertain the effects of the changes in the system of excise of country spirit and of the enhancements of the tariff rate upon the consumption of the different forms of alcohol. The following statements show, first, the recorded consumption of country spirit in each of the districts in which the central distillery system was in force for the years 1890-91, 1904-05 and 1912-13 together with the percentage of variation in each case, second, similar statistics for *tari* and *pachwai* (with the exception that the figures for revenue have been shown instead of those for consumption) for the years 1889-90, 1904-05 and 1912-13, for the districts in which these sources of revenue are of importance, and, third, statistics for foreign liquor for the years 1889-90 and 1904-05. The year 1889-90 has been taken instead of the year 1890-91 in the case of *tari*, *pachwai* and foreign liquor, as the revenue in 1890-91 appears to have been affected in several districts by the anticipated effect of the change of system in the taxation of country spirit :—

Country spirit.

District.	Consumption in 1890-91.	Consumption in 1904-05.	Percentage of variation between 1890-91 and 1904-05.		Consumption in 1912-13.	Percentage of variation between 1904-05 and 1912-13.		Percentage of variation between 1890-91 and 1912-13.
			;	;		;	;	
Burdwan ...	... 15,164	22,389	+ 47	;	46,675	+ 108	+	207
Birbhum ...	... 3,922	3,859	- 1	;	7,149	+ 85	+	82
Bankura ...	... 3,174	3,231	+ 1	;	17,551	+ 443	+	452
Midnapore ...	... 11,592	11,200	- 3	;	36,261	+ 223	+	212
Hooghly ...	... 20,139	19,731	- 2	;	35,363	+ 79	+	75
Howrah ...	... 3,488	7,058	+ 102	;	17,340	+ 145	+	397
24-Parganas ...	... 19,263	31,427	+ 63	;	55,943	+ 78	+	190
Calcutta ...	... 168,670	264,187	+ 56	;	345,777	+ 30	+	105
Nadia ...	... 5,938	4,380	- 26	;	10,709	+ 144	+	80
Murshidabad ...	... 4,739	5,440	+ 14	;	9,964	+ 83	+	110
Jessore ...	... 3,039	2,246	- 27	;	5,981	+ 166	+	93
Khulna ...	... 3,332	2,383	- 28	;	6,292	+ 164	+	88
Dacca ...	... 13,259	12,673	- 4	;	27,802	+ 119	+	109
Mymensingh ...	... 12,927	7,764	- 39	;	15,300	+ 97	+	18
Faridpur ...	... 4,183	4,681	+ 11	;	6,622	+ 41	+	58
Bakargunj ...	... 5,133	3,060	- 40	;	4,881	+ 59	-	4

Tari.

District.	Revenue, 1889-90.	Revenue, 1904-05.	Percentage of variation, 1889-90 and 1904-05.	Revenue, 1912-13.	Percentage of variation, 1904-05 and 1912-13.	Percentage of variation, 1889-90 and 1912-13.
Burdwan ...	5,791	11,166	+ 92	13,539	+ 21	+ 133
Midnapore ...	1,751	8,961	+ 411	15,851	+ 76	+ 805
Hooghly ...	28,198	36,162	+ 28	39,486	+ 9	+ 40
Howrah ...	23,904	32,978	+ 37	43,915	+ 33	+ 83
24-Parganas ...	74,652	99,975	+ 33	1,51,815	+ 51	+ 103
Calcutta ...	75,047	74,866	- 2	1,07,243	+ 43	+ 42
Murshidabad ...	8,302	10,944	+ 31	16,466	+ 50	+ 98
Malda ...	8,057	10,369	+ 28	26,498	+ 155	+ 228

Pachwai (shop licence-fees).

Burdwan ...	65,437	2,37,755	+ 263	4,27,392	+ 79	+ 553
Birbhum ...	66,875	1,29,293	+ 93	1,87,692	+ 45	+ 180
Bankura ...	10,973	22,280	+ 103	50,438	+ 126	+ 359
Midnapore ...	3,433	9,164	+ 166	26,293	+ 186	+ 666
Hooghly ...	1,673	6,014	+ 259	11,339	+ 88	+ 577
Nadia ...	2,022	3,572	+ 76	6,825	+ 91	+ 237
Murshidabad ...	14,811	24,460	+ 65	37,108	+ 51	+ 150
Darjeeling ...	18,071	25,802	+ 42	37,901	+ 46	+ 109

Foreign Liquor.

Hooghly ...	3,859	10,952	+ 183	—	—	—
Howrah ...	2,090	4,024	+ 92	—	—	—
24-Parganas ...	9,127	17,316	+ 89	—	—	—
Nadia ...	1,238	9,181	+ 641	—	—	—
Jessore ...	480	2,583	+ 438	—	—	—
Khulna ...	768	3,730	+ 385	—	—	—
Dacca ...	15,888	24,893	+ 56	—	—	—
Mymensingh ...	8,806	41,247	+ 368	—	—	—
Faridpur ...	5,409	8,950	+ 65	—	—	—
Bakarganj ...	4,569	19,247	+ 321	—	—	—
Darjeeling ...	10,172	19,082	+ 87	—	—	—

It will be seen that the consumption of country spirit increased considerably between 1890-1891 and 1904-1905 in Burdwan, Howrah, 24-Parganas and Calcutta, all of which contain industrial areas. Hooghly also contains an industrial area, but the rate of duty had been increased and the decrease in consumption was mainly due to that cause. There was an increase of 14 per cent. in Murshidabad, but the rate of duty in that district had been reduced by Re. 1-6-0 per L. P. gallon in 1900-1901, and prices had fallen and had not had time to reach their former level. I am unable to account for the small increase of 11 per cent. in Faridpur. The figures for Midnapore and Bankura are vitiated by the fact that different areas are represented in the two years. The eight remaining districts show a decrease, which is large in the case of Nadia, Jessore, Khulna, Mymensingh and Bakarganj. These were the five districts in which the revenue from foreign liquor increased most largely, the increase amounting to more than 300 per cent. in each. The percentage of increase in the *tari* revenue was large in Burdwan and very large in Midnapore, where it is consumed in that part of the district in which the central distillery system was in force. In the case of *pachwai* the increase was over 250 per cent. in Burdwan and Hooghly, and over 90 per cent. in Birbhum, Bankura and Midnapore. The increase was least marked in Murshidabad, where the consumption of country spirit showed some increase.

There has been a very large general increase in the consumption of country spirits since 1904-05. There has also been an increase in the revenue from *tari* and *pachwai*. But, as a rule, the rate of increase in the case of these articles has been much less than before, except in certain areas, in which a contrary result can be accounted for. The exceptions in the case of *tari* are Howrah, 24-Parganas and Calcutta, where the number of *tari*-drinking up-countrymen has increased considerably, and Murshidabad, where the previous increase had been comparatively small and where the consumption of country spirit had not decreased. In the case of *pachwai* the percentage increased largely in Bankura and Midnapore, where the

outstill system had been abolished in areas largely inhabited by aborigines. This result merely corresponds with that which had been produced by the abolition of outstills at an earlier date in the other districts. The rate of increase was also more rapid in Murshidabad for the same reason as affected *tari* in that district.

Similar tendencies may be observed in Malda and Darjeeling, for which figures have been given. The outstill system was in force in both districts during the whole of the earlier period but was abolished during the later period. In Darjeeling weak liquor was supplied at a preferential rate of duty under the contract system, and maximum prices were fixed. The rate of increase in the revenue from *pachurai* shops was greater during the later period, but not to a very marked extent. In Malda no maximum prices were fixed, and the price of country spirit rose. The *tari* revenue, which had only increased by 28 per cent. during 16 years up to 1904-05, has increased by 155 per cent. since that year.

As regards foreign liquor, it had been mentioned in the Annual Report for 1889-90 that in Nadia and elsewhere cheap imported liquor was even able to compete successfully with outstills which paid high licence-fees. The tariff rate was then Rs. 5 per gallon L. P. With the large increase in the price of country spirit under the central distillery system and with the tariff rate constant at Rs. 6 per L. P. gallon from March, 1890, till January, 1906, the competition of imported liquor with country spirit became increasingly effective. Country rum also competed successfully with country spirit at one time. A great stimulus was given to its consumption by the fact that from September, 1888, until April, 1892, the rate of duty was lower than that on country spirit in Calcutta and the neighbouring districts. Its popularity began to decline when the rates of duty were equalized, though for some years a large quantity was consumed, and, since its taxation at the tariff rate in 1895, it has ceased to influence the sale of country spirit to any great extent except, for a time, in the Dacca Division. The enhancement of the rate of duty on foreign liquor in 1906 was too small to cause any increase in the consumption of country spirit in districts, such as Nadia, in which the incidence of taxation was considerably higher than the tariff rate, though part of the increased consumption, which took place when the price of the latter article was reduced in districts in which foreign liquor was largely consumed, must be attributed to the fact that some persons who had preferred to drink foreign liquor because of its cheapness took to the use of country spirit for the same reason. Although there was no reduction in the price of country spirit in the Dacca Division, the *Swadeshi* movement and the enhancement of the tariff rate combined to increase the consumption of country spirit by 16.552 L. P. gallons, or by nearly 60 per cent., in two years. But the decline of the *Swadeshi* movement caused a steady decrease in the consumption of country spirit until 1909-10, except in Dacca, where the lower incidence of taxation caused the decrease to be much less marked than elsewhere, and where an influx of labourers brought about a recovery in that year. The consumption of country spirit in the other three districts of the Division in 1909-10 was still 14 per cent. less than it had been in 1890-91, although it was more than 20 per cent. more than in 1904-05. The last enhancement of the tariff rate in 1910 and the restrictions which accompanied it, however, completely rehabilitated country spirit in the districts in which foreign liquor still competed with it, and, speaking generally, it may be said that at the present moment country spirit and foreign liquor are consumed by different and well defined classes and that serious competition between them is exceptional.

15. In the districts of Mymensingh and Bakarganj, in which the competition of foreign liquor had been most severe, the consumption of country spirit per thousand of the male population was less in 1912-13 than it had been in 1890-91. In Mymensingh the actual quantity of country spirit consumed had increased by 15 per cent. in the 23 years. In Bakarganj it had decreased by 4 per cent. But the consumption in 1912-13 represents an increase of 97 and 57 per cent. in the two districts as compared with the consumption in 1904-05. The figures are interesting, because in these districts foreign liquor and illicit distillation are the only serious competitors which country spirit has ever had to meet. The system has been the same throughout the period.—no action has been taken to regulate the price of country spirit, no extraordinary measures have been taken to check illicit distillation, and the only alteration in the rate of duty has been a nominal increase of 4 annas per L. P. gallon. It may fairly be inferred that the gradually increasing price of country spirit and a gradual reduction in the price of foreign liquor coupled with the fact that it was offered for sale in a more attractive form resulted

in the demand for alcohol, which would normally have been met by country spirit, being partly met by foreign liquor. Action taken against the latter article has practically restored matters to a normal condition. A comparison of the figures of 1912-13 with those of 1904-05 indicate an enormous increase in the consumption of country spirit, for which it would be impossible to account except by vague theories of increased prosperity. But a comparison with the figures of 1890-91 show that there has been no such increase at all; and a further consideration of the history of the taxation of country spirit and foreign liquor points clearly to the conclusion that, in these districts at any rate, the fluctuations in the consumption of country spirit have been solely due to foreign liquor.

19. It is unfortunately impossible to make deductions from the statistics relating to districts in which the contract distillery system has been in force with the same degree of certainty. In Calcutta conditions are peculiar. In the other industrial areas the price of country spirit was not forced up to the same extent as in rural districts. And the attempts which have been made to regulate the price of country spirit outside Calcutta have resulted in most places in a reduction of price which must by itself have operated to increase consumption. But it is, I think, only fair to draw two conclusions. The first is that in districts in which the consumption of country spirit remained stationary or declined under the central distillery system, whilst the revenue from other liquors showed an increase, which can only be regarded as abnormal (though, as has been mentioned above, an increase of 200 per cent. in licence-fees cannot be regarded as evidence that consumption had increased in anything approaching that proportion), the central distillery system tended rather to divert the demand for alcohol from country spirit to other liquors than to reduce the amount of alcohol consumed. The consumption of *tari*, *pachwai* and foreign liquor might undoubtedly have been expected to increase in the ordinary course of events, but not at the rate at which it appears to have increased in these districts. The excise authorities of the period were certainly of opinion that in the western districts the consumption of alcohol took the form of *tari* and *pachwai* instead of that of country spirit, and in the annual reports which cover the earlier years of the central distillery system they show the revenue from *tari*, *pachwai* and country spirit together as indicative of the fact that what had been lost in one direction had been more than made up in another. The second conclusion is the converse of the above, viz., that in districts in which, since the fixation of the maximum prices at which country spirit may be sold, the consumption of that article has increased largely, whilst the rate of increase in the revenue derived from other liquors has become less rapid, part, at any rate, of the normal demand for alcohol in the form of country spirit, which had during the earlier period been met from other sources, has, during the later period, again been met by country spirit.

20. It follows that, in considering the consumption of country spirit, it will be fairer to take the years 1890-91 and 1912-13 for purposes of comparison than the years 1904-05 and 1912-13. Even when the years 1890-91 and 1912-13 are compared, however, it will be seen that the increase in the consumption of country spirit has been large except in a few districts and very large in many. But it must be remembered that, with the possible exception of Calcutta and the Dacca Division, the recorded consumption in 1890-91 was probably considerably less than the normal consumption, whilst even in Calcutta it was affected by the competition of country rum under conditions which favoured the latter article. There appears, moreover, to be some reason to believe that the increase in the consumption of *pachwai*, and in certain districts that of *tari* has been at least as great as that in the consumption of country spirit, and it is open to question whether this result has not been partly due to the stimulus given to their consumption by the increase in the price of country spirit during the central distillery period.

21. In some cases the increase in consumption has been due in part to an increase of population, and it will next be desirable to examine the consumption of country spirit from this point of view and also to ascertain its distribution. An examination of the statistics of consumption show that nearly half the country spirit which is consumed in this Presidency is retailed in an area of less than 400 square miles, which comprises Calcutta with the suburbs and the towns of Howrah and Bally, thana Serampore in the Hooghly district, the Barrackpore subdivision and thanas Behala, Tollyganj and Budge-Budge in the 24-Parganas. In 1912-13 out of a total provincial consumption (outside the Chittagong Division for which figures are not available) of 851,534 L. P. gallons no less than 402,501 L. P. gallons were consumed in this area. In the year 1910-11 the consumption in this area

averaged 312 L. P. gallons per thousand of the male population, whilst in the rest of the Presidency it averaged 20 L. P. gallons. And when it is remembered that the rest of the Presidency contains industrial areas, such as the excise district of Howrah and the Asansol subdivision of Burdwan, districts which contain a large proportion of immigrants from spirit-consuming tracts, such as Jalpaiguri and Darjeeling and a city of the size of Dacca, it will be seen that the consumption of country spirit is in most places far from being a serious matter. The following figures will show the distribution of consumption. The figures are in all cases given in L. P. gallons per thousand of the male population. Some females consume country spirit. They chiefly belong to the prostitute class, and, if they could be included, the consumption per head of the male population in urban areas would be slightly decreased. As a rule, however, only males drink, and I have accordingly excluded females altogether. The year 1910-11 has been taken as the census was taken in that year. The statistics for areas within districts are only approximate, as they are based on settlement proposals, but there is no reason to believe that they are very far from the mark. I have also shown figures based on the recorded consumption of the years 1890-91 and 1900-1901 per thousand of the male population in 1891 and 1901 :—

District.	1910-11.	1900-01.	1890-91.
<i>Burdwan</i> ...	61	24	22
Asansol subdivision (618 square miles) ...	134	—	—
Thanas Burdwan, Katwa and Kalna (342 square miles) ...	86	—	—
Rest of the Burdwan district (1,731 square miles) ...	20	—	—
<i>Birbhum</i> ...	14	10	10
<i>Bankura</i> ...	26	5	6
		(part only).	
<i>Midnapore</i> ..	25	—	—
Thanas Midnapore and Kharagpur (394 square miles)...	137	9	8
Rest of the Midnapore district (4,792 square miles) ...	15	—	—
<i>Hooghly</i> ...	56	38	39
Thana Serampore (22 square miles) ...	221	—	—
Rest of the Serampore and the Sadar sub-division (760 square miles). Arambagh sub-division (406 square miles) ...	35	—	—
<i>Howrah</i> (exclusive of the towns of Howrah and Bally) ...	37	17	11
<i>Calcutta</i> (including the suburbs, Howrah and Bally) ...	389	321	299
<i>24-Parganas</i> ...	42	25	20
Barrackpore sub-division and thanas Behala, Tollyganj and Budge-Budge (303 square miles). Rest of the 24-Parganas (4,499 square miles) ...	120	—	—
<i>Nadia</i> ...	12	6	7
Thanas Krishnagar, Ranaghat and Santipur (401 square miles)	43	—	—
Rest of the Nadia district (2,389 square miles) ...	7	—	—
<i>Murshidabad</i> ...	12	8	7
Thanas Sujaganj, Berhampore, Asanpur, Manullabazar and Sahanagar (126 square miles). Rest of the Murshidabad district (2,017 square miles)...	67	—	—
<i>Jessore</i> ...	7	—	—
<i>Khulna</i> ...	5	3	3
<i>Dacca</i> ...	7	5	5
Dacca city ...	17	—	—
Narayanganj town ...	181	—	—
Rest of the Dacca district ...	178	—	—
<i>Mymensingh</i> ...	6	3	7
<i>Faridpur</i> ...	5	5	4
<i>Bakarganj</i> ...	3	3	4
<i>Rajshahi</i> ...	20	—	—
<i>Dinajpur</i> ...	24	—	—
<i>Jalpaiguri</i> ...	52	—	—
<i>Rangpur</i> ...	19	—	—
<i>Bogra</i> ...	25	—	—
<i>Pabna</i> ...	17	—	—
<i>Malda</i> ...	31	—	—
<i>Darjeeling</i> ...	315	—	—

The areas which have been shown separately are either industrial areas or contain towns, though not always large towns. The consumption in these areas is sometimes swelled by consumers who come from outside to obtain their supplies. Separate statistics have only been worked out for a few of these areas, but it is

sufficiently clear that as a rule the drink question in Bengal is not one of pressing urgency in the rural tracts which go to make up by far the larger part of the Presidency. It is, however, equally clear that any tendency for consumption to increase in urban and industrial areas will need checking, and that the consumption in the industrial area round Calcutta, in Dacca and Narayanganj and in the district of Darjeeling is so large as to give cause for some anxiety. This anxiety will not be lessened when it is remembered that the amount of foreign liquor which is consumed in these areas is considerable. At the same time the large consumption in the Calcutta industrial area and Darjeeling can be in great measure accounted for by the number of male immigrants from spirit-consuming areas—Bihar and the United Provinces in the one case and Nepal in the other—and that in Dacca and Narayanganj by the great activity which prevails during the jute season; whilst the conditions of life in all large towns undoubtedly tend to the increased consumption of intoxicants.

22. It is too early as yet to attempt to deal with consumption in the districts of the Rajshahi Division which were until recently under the outstill system. It need only be mentioned that the system of contract supply was deliberately introduced into those districts with the object of enhancing the cost of country spirit and so reducing the excessive drunkenness caused by low prices. It was responsible for a great increase in illicit distillation, but it was reported to have diminished drunkenness and what evidence there is points to a decrease in consumption as compared with the period during which the outstill system was in force. The recent increase in the *tari* revenue in Malda, which has been noticed above, indicates that the decrease in the consumption of country spirit in that district has been considerable.

The outstill system has been abolished longer in Bankura, Midnapore and Darjeeling. In Bankura the consumption is higher than the provincial average, but the proportion of aboriginal consumers is larger in that district than in the other districts of Western Bengal. In Midnapore the bulk of the consumption is concentrated in thanas Midnapore and Kharagpore, which contain two considerable towns, in one of which the population is mainly industrial as connected with the Bengal-Nagpur Railway. In Darjeeling there has been a tendency for consumption to increase, though there is no reason to believe that it is as great as it was under the outstill system. Special action has, however, been taken to check it by an enhancement both of the rate of duty and of the maximum prices with effect from 1st April, 1913. Of the other districts the consumption in Jessore, Khulna, Mymensingh, Faridpur and Bakarganj is small and shows little variation as compared with 1890-91—in fact Mymensingh and Bakarganj show a decrease. The consumption in Birbhum, Nadia and Murshidabad is slightly larger, and in the two latter districts shows some increase. The number of aboriginal consumers is considerable in Birbhum, and in Nadia and Murshidabad the consumption outside the urban areas is very small. The consumption in the rural areas of the Burdwan district is practically the same as in the adjoining district of Birbhum; that in the Arambagh subdivision as in Bankura, that in the rural area of the 24-Parganas as in the rural area of Midnapore, and that in the rural area of the Dacca district as in Mymensingh. How small this consumption really is may be gauged by the consideration that if a bottle of whisky or brandy be taken to contain 12 pegs, and if the strength be taken as 25° under-proof (the lowest at which these liquors may legally be sold), a man who drinks one peg a day will consume 3·8 L. P. gallons of alcohol in a year. This is more than the average annual allowance of 1,000 males in Bakarganj, of 500 males in Jessore, Khulna, Mymensingh, Faridpur and the rural areas of Nadia, Murshidabad and Dacca, of 250 males in Birbhum, in Nadia and Murshidabad as a whole and in the rural area of Midnapore; whilst the districts of Burdwan, Hooghly, Calcutta, 24-Parganas, Jalpaiguri and Darjeeling are the only districts in which every 100 males drink more than the equivalent of one peg a day between them. In Calcutta, where the maximum is reached, the total consumption would be accounted for if one male in every 10 consumed a little more alcohol daily than is contained in one peg of the weakest kind of whisky on the market.

Of course it cannot be argued from this that a considerable number of persons do not drink alcohol to excess, though it follows that every person who does so must reduce the amount of alcohol available for other consumers on the present basis of consumption. But I think that a consideration of the statistics in this form makes it clear that, as far as country spirit is concerned, the drink evil has not attacked the vast majority of the people of this Presidency to any alarming extent even in some of the districts, such as Jessore and Khulna, which, as compared with 1904-05, show an increase in consumption of more than 150 per cent. It is well known that,

when a man has been seized with a craving for intoxicants, he will satisfy it at any cost, and it is doubtful whether any practicable increase in the price of country spirit would effect his reclamation. If there were any reason to believe that the majority or even a considerable number of consumers in these rural areas habitually drank country spirit to excess, there might be a case for an effort in this direction; but the amount of alcohol consumed in this form is only sufficient for a very small number of habitual moderate drinkers, and, in the absence of any evidence to the contrary, I think it must be assumed that the drunkards form a small minority. The first persons to be deprived of their stimulant would be the poorest of the moderate consumers, whilst the habitual drunkards would probably be among the last. Nevertheless, it is a matter for consideration whether an attempt should not be made, even in rural areas, to force consumption down to the level at which it was before the fixation of maximum prices caused it to increase, after making some allowance for an increase in population and the removal of the influence of foreign liquor, on the ground that the bulk of the increase must be due to the fact that those who drank before now drink more. The question really seems to turn upon the point as to whether more persons drink to excess or whether the increased consumption is mainly due to the fact that the poorest consumers, who may formerly have often had to go without a stimulant, can now obtain a reasonable but not excessive quantity for their money. It is to be feared that this question cannot be answered; no enquiries will throw much light upon it. It may be argued on the one hand that no reports have been received which would lead to a belief that drunkenness in rural areas is on the increase, and on the other that the number of drunkards in such areas must in any case be so small in comparison with the total population that a considerable increase in drunkenness would attract no notice. When the total consumption in such areas is as small as it is at present, I am inclined to think that no action is called for; all that is necessary is to take steps to see that it does not increase out of proportion to the increase in population and, in some districts, to the extent to which illicit practices can be checked. This is the principle on which action has been taken hitherto; and whilst no general attempt has been made to force consumption back to its old level, steps have been taken to check it by increasing the rate of duty whenever the rate of increase has appeared to be unduly rapid.

23. It is inevitable that consumption should be larger in urban than in rural areas and largest of all in industrial tracts; but it cannot be asserted, without detailed enquiries which will take a considerable time, that it is inevitable that the difference should in all cases be as large as appears from the statistics to be the case at present, or that the tendency for consumption to be so much higher in urban areas is not in some places an indication of a growth of the drink habit which needs to be checked. The recent increase of duty in the Burdwan and Presidency Divisions should do something to check the large consumption in urban and industrial areas in so far as it is due to the fact that the vendors have been selling below the maximum prices. The comparatively low incidence of licence fees has certainly enabled vendors to reduce their prices during the last two years in the districts of Hooghly and Howrah, and the same thing has probably happened in some other urban areas. In Calcutta maximum prices have not been fixed and are unnecessary. The increase in duty should reduce consumption, as it has always done in this city in the past, but consumption will need to be watched carefully in order that, if necessary, the duty may be further increased.

24. The whole question calls for further detailed investigation. It will first be necessary to ascertain the consumption in the different parts of each district for a series of years and to discover whether the fluctuations were due to temporary causes, such, for example, as the influx of labour employed on the construction of a railway. After the elimination of such causes, it will be necessary to ascertain how far permanent causes, such as the presence of immigrants from a spirit-consuming area, can be held to account for a specially high incidence of consumption in a particular tract. If, after this has been considered, it appears that consumption has shown a tendency towards steady increase in any area and that the increase is not merely due to the substitution of country spirit for foreign liquor or of licit for illicit spirit, there would be a case for an enhancement of taxation.

Of course there is no doubt that illicit practices of all kinds, both by vendors and by consumers, are far more frequent and more easily practised in rural than in urban areas, and that, until the preventive staff is strengthened sufficiently to cope more effectively with them than at present, the differences in the incidence of consumption will be accentuated. It is also true that in some districts the urban population is more accustomed to use spirituous than fermented liquors, whilst the reverse obtains

in rural tracts. These are, however, points which will have to be taken into consideration when enquiries are made and cannot be accepted as an adequate explanation of the differences in the incidence of consumption until they have been substantiated in each case.

25. When it is found to be desirable to check consumption in any given area, this object can be attained at any time by an increase of the maximum prices, if such prices have been fixed, together with such enhancement of taxation as shall force the vendors to sell at those prices. The most certain method of doing this, would be to impose a special rate of duty in such areas. The objection, except in the case of considerable areas, would be that unless the liquor which had been taxed at the lower rate were chemically treated so that the admixture of even small quantities could be detected by a simple test, or unless it were issued at very different strengths, it would be practically certain to find its way undetected into the urban shops. This would not merely be a fraud on the revenue; it would also go far to defeat the object in view, and it would to some extent vitiate the statistics of consumption in both rural and urban areas. The alternative method would be to force up the licence-fees of the urban shops, so that the vendors could not make a profit by selling much below the maximum price. There would be little difficulty in doing this, but it is opposed to the principle that the major portion of the revenue should be derived from duty. If, however, an attempt is to be made to check consumption in small areas, I think it would be best to begin in this way. The experience of a very few years would show how far it could be made effective; my own opinion is that it could be; and if it were effective in reducing consumption, no one could cavil at it.

26. In the Dacca and Chittagong Divisions and in the Rajshahi Division outside the Jalpaiguri and Darjeeling districts there is at present no system of maximum prices. In the former Division the rate of duty has been fixed tentatively on the introduction of the contract system at a higher rate than that previously in force, as the cost price of liquor has been reduced, and it will be necessary to watch the results and to take action accordingly. In the Chittagong Division there was no guide whatever to the proper rate of duty, as the outstill system had previously been in force. In the Rajshahi Division the rate of duty has been increased, but the licence-fees as fixed at the recent settlements have brought the incidence of taxation to a much higher level in the districts of Rangpur, Bogra and Pabna than elsewhere. It may be advisable to effect a further enhancement of duty in these three districts, but before this is done it will be necessary to ascertain whether there has been an undue enhancement of prices in the smaller rural shops in which a larger profit must be made on each gallon of liquor sold than in the larger shops. One of the chief difficulties of the fixed duty system has all along been that it tends to enhance prices disproportionately in rural areas in which, if anywhere, they should be kept at a reasonable figure. The system of maximum prices has done something to remedy matters, but even under this system the existence of a practical monopoly and the difficulty of supervision on the one hand, and competition and a failure to enhance licence-fees in proportion to the larger profits made from larger sales on the other tend to perpetuate the inequality. It may become necessary to introduce a system of maximum prices into Eastern Bengal if a recurrence of some of the less desirable features of the central distillery system is to be avoided.

27. One measure which might tend to cause a decrease in the amount of alcohol consumed would be to issue liquor at a strength of 25° U. P. in districts where it is now issued at a higher strength, without making any reduction in the maximum price. This will raise the price of the stronger liquor slightly and will favour the consumption of the weaker spirit. At the same time it will not increase the temptation to illicit manufacture as the price of the weaker liquor will not be raised.

28. The whole question of the enhancement of the price of country spirit appears to be one which needs very careful handling. The principle laid down by the Government of India is that they have no desire to interfere with the habits of those who use alcohol in moderation, and that they regard it as necessary to make due provision for the needs of such persons. At the same time, their settled policy is to minimize temptation to those who do not drink and to discourage excess among those who do. As will be noticed below, it seems doubtful whether, in an attempt to reduce the number of shops to a minimum, the necessity of making due provision for the needs of moderate consumers has not in some cases been lost sight of. It is only right that the price of country spirit should be raised in proportion

to the increase in the price of other articles of food and drink, and this has not always been done in the past especially in such areas as Calcutta. At the same time it must be noted that no increase in the price of country spirit will check the spread of the drink habit among the upper and middle classes, the members of which generally consume foreign liquor in so far as they use alcohol at all. Moral improvement amongst these classes can only be brought about by the force of Indian public opinion. Again, the immigrant labouring classes in the large towns, who are among the largest consumers of country spirit, are by no means the poorest of the poor, but earn good wages and have money to spend on small luxuries. To place country spirits beyond their reach, it would be necessary to place it beyond the reach of large numbers of moderate consumers who belong to classes which have used it for generations. Action of this kind would not be justifiable, and it would be likely to have undesirable results.

It cannot be too strongly insisted on that any action taken with a view to reduce the consumption of country spirit by increasing the price to the consumer will be ineffective if it merely leads to the substitution of one form of intoxicant for another. It has hitherto proved impossible to devise any method of increasing the price of *pachwai* by artificial means, and, even if it were possible, it would merely lead to an increase in illicit manufacture, which it is already extremely difficult to hold in check. The price of *tari* can be increased by means of the tree-tax system, and there are indications that steps in this direction, which were strongly recommended by the Indian Excise Committee, are desirable on other grounds. But it is impossible to take any action of this kind until the preventive establishments have been strengthened. Again, foreign liquor can still be sold at a very low price, and, if there is much further enhancement of taxation on country spirit in Calcutta and its immediate neighbourhood, foreign liquor will take its place. This can be remedied by a further considerable enhancement of the tariff rate, but a measure of this kind would be likely to provoke opposition, and it may be difficult to obtain the necessary orders, which would have to be applied to the whole of India.

Above all, it is necessary that the greatest care should be taken not to drive consumers from liquor to drugs, and especially to such deleterious drugs as morphia and cocaine. The spread of the cocaine habit in Calcutta is a far more serious evil than the spread of the drink habit has ever been, and the enormous number of prosecutions shows how ineffectual prohibition has been.

It is undoubtedly necessary to check any tendency towards an undue increase in the consumption of country spirit, and there are other directions in which action can be taken to minimize temptation. But it is equally necessary to guard against largely enhancing the price of country spirit merely in the hope that persons who might acquire the drink habit will not do so. Not only may they acquire the drink habit after all, notwithstanding the enhancement in price, but, if they are saved from that, they may acquire an even more pernicious drug habit which can be more easily concealed, whilst an undue enhancement of prices may lead many others to follow the same evil course.

Finally, it is necessary to point out to those who view the increasing excise revenue with anxiety that any measure which aims at checking consumption by enhancing prices must inevitably be followed by an increase in the excise revenue unless it is carried to an extent which will amount to an attempt at absolute prohibition, which has never been the policy of Government. The difficulty of enforcing any such measure has recently been illustrated by the case of cocaine; its absolute futility in the case of an article, such as country spirit, which can easily be manufactured, is too obvious to need demonstration.

ENLARGEMENT OF THE POWERS AND FUNCTIONS OF ADVISORY COMMITTEES.

29. The deputation made several proposals regarding the extension of the powers and functions of local advisory committees and the modification of their constitution. I have consulted Commissioners and district officers on the following points:—

- (i) Whether it is desirable that the system of local advisory committees should be extended to all municipalities;
- (ii) whether the committees should be given power to deal with all kinds of intoxicants;
- (iii) whether it is desirable to make the committees more representative of local opinion, and, if so, how this can best be effected;
- (iv) whether the committees should contain a majority of non-officials?

I will deal with these points in turn—

(i) Most of the officers consulted are either in favour of the extension of the system of advisory committees to all municipalities or see no objection to such a course. The officers who oppose it do so on the grounds that the Municipal Commissioners are already consulted, and that it would be superfluous to constitute separate committees in small towns in which there is often only one shop of each kind; that the adoption of the proposal would, in some districts, in which there are a large number of municipalities, give more trouble than any probable results would justify; that the existing committees take little interest in the matter; and that it is desirable to have more experience of their working before the system is extended.

I can myself see no valid objection to the proposal, provided that the committees are, as they are now, purely advisory, though at the same time it must be admitted that for all practical purposes it would represent a very nominal improvement upon the system which is already in force. It is likely to give a good deal of trouble in districts in which the number of municipalities is considerable and particularly in the 24-Parganas, but the Collector, the Subdivisional Officer and the Excise Deputy Collector visit all of them in the ordinary course of their duties and could arrange that their visits should take place at the time that the meetings were due. It would only be necessary for the Collector to deal personally with the matter when the other members were not unanimous.

(ii) No officer has raised any objection to the extension of the powers of the committees so as to enable them to deal with all licences for the sale of intoxicants, except the Superintendent of Excise, Calcutta (Mr. Baboneau), who sees no necessity for the change, and considers that any such extension of powers should be very cautiously introduced, as it tends to a duality of control by irresponsible persons. The existing committees deal with all licences for the retail sale of spirit, *tari* and *pachwai* for consumption on the vendors' premises. I can see no reason why they should not be empowered to deal with licences for the retail sale of hemp drugs and opium. I do not think that they should have any power to interfere as regards the grant of wholesale licences, compounding and bottling licences, druggists' permits, or licences for the sale of denatured or rectified spirit or medicated wines; nor do I think it desirable that they should deal with licences for the retail sale of foreign liquor by the bottle in Calcutta, as such licences are largely held by firms which deal with mufassal constituents. If this power is withheld in Calcutta it should not be extended to mufassal municipalities, though there would otherwise be no objection.

(iii) The majority of the officers consulted consider that the existing rules make sufficient provision for the representation of local opinion on the committees. The Collector of Birbhum (Rai Amrita Lal Mukherji Bahadur) suggests that they may best be constituted in consultation with the leading public bodies of the district. The Collector of Midnapore (Mr. Bradley-Birt) would publish a list of all proposed licences in municipal areas by beat of drum and call upon anyone who had any objection to submit it to the Collector or to the Chairman of the Municipality by a fixed date. The Collector of Nadia (Mr. S. C. Mukerjee) would appoint the head master of the local high or middle English school, some of the leading medical practitioners and others, to be selected by the district officer, as well as representatives of the Municipality and of the Police and Excise Departments. The Collectors of the Eastern Bengal districts have not, for the most part, had any experience of the working of an advisory committee, but several of them make suggestions as to how such a committee might be constituted.

It is difficult to see how the present arrangements can be improved on unless the Collector is empowered to nominate as additional members any persons whom he thinks would be interested in the matter. This would probably be regarded as official and departmental interference. The Municipal Commissioners should be able to voice local opinion, though it is to be feared that they sometimes fail to do so. It would clearly be useless to include any non-official who was not a resident of the municipality. Whatever is done, the large majority both of consumers and of the people generally will have no non-official representative. On the whole, I think it would be best to leave the constitution of the committees as it is now in the districts of Western Bengal. There would be no objection to making them more representative of local opinion—they should obviously be as representative as possible—but I do not think that this could be done unless the Collector were given a power of nomination, and this would probably be regarded as a retrograde measure. The suggestion of the Collector of Midnapore that objections should be invited by beat of drum might be adopted.

(iv) Opinion is divided as regards the appointment of a non-official majority, and several officers have not dealt with this particular point. The Collector of Bankura (Mr. Cook) does not think that the time has come when there should be a non-official majority if the committees are to remain advisory bodies. "To appoint a non-official majority, and not to give full power of control would be to give the shadow and withhold the substance." The Commissioner of the Presidency Division (The Honourable Mr. Lang) considers that a non-official majority would often cause inconvenience, and the Collector of the 24-Parganas (Mr. Dunlop) fears that the committees might become instruments in the hands of agitators and cause embarrassment to the Administration. The Superintendent of Excise, Calcutta, thinks that a non-official majority appointed independently of the Excise Department will, on occasion, cause serious difficulty, as, even though the Collector were not bound to accept their opinion, any disagreement with them would be liable to be interpreted as a disregard of the wishes of the people which would reduce the committee system to a farce. On the other hand, the Collector of Nadia is in favour of a non-official majority, and the Commissioner of the Rajshahi Division, the Deputy Commissioner of Darjeeling and the Collectors of Rangpur and Malda see no objection to the proposal. Personally I do not think that the question of an official or a non-official majority should be allowed to arise in connection with an advisory committee. The object of the committee's existence is that the Collector should be made aware of local opinion by the most representative body available, in order that he may come to as fair a decision as possible in the interests of the public. To borrow terms from the Code of Criminal Procedure the members of the committee should occupy the position of assessors rather than that of jurors. If they are not unanimous, the objections raised by any of them should be duly recorded and the Collector should give his reasons for his decision. If it were possible to make the committees really representative of local opinion (including the opinion of those who are not rate-payers or members of the educated class), and if it were certain that they would be actuated by the principles laid down by the Government of India, it might be possible to make an advance in this direction. But this is at present beyond the range of practical politics, and it appears to me that to discuss the question of official or non-official majorities is merely mischievous. The only object in insisting and laying stress upon the appointment of a non-official majority would be to enable the committee to bring pressure to bear upon the district officer. This would seem to be entirely beyond its scope. There can be no objection if a majority of the persons selected to bring local opinion to the knowledge of the Collector to the best of their ability are non-officials, and they usually are at present. But to make a parade of appointing a body with a "non-official majority" would be either to introduce the thin end of the wedge of local option, in which the option would be exercised by the committee and not by the people at all, or, in the words of the Collector of Bankura, "to give the shadow and withhold the substance" and thus to open the door to agitation.

30. The deputation frankly admit that their object in desiring that the non-official element on the advisory committees should be strengthened is that the licensing function should as soon as practicable be removed from the control of the Revenue Department, and they see no reason why the experiment should not be tried in certain districts of conferring the function of licensing upon the local committees, subject to such reservations as it may be found necessary to impose. It is towards this object that all their proposals tend, but it appears to me to be utterly impracticable that the committees should anywhere be given powers of this kind; and it would in my opinion be a most serious mistake if Government were to take any action which could lead anyone to believe that they even contemplated the possibility of the delegation of such powers to the committees at some far distant date. It will be time enough to do this when there is some likelihood that such a measure will be immediately possible. It is Government, and Government alone, which is responsible for seeing that the habits of those who use alcohol in moderation are not interfered with, and that due provision is made for the needs of such persons. This is an essential part of the subject, but it is one in which the committees are not likely to be interested, at any rate as regards such articles as country spirit and *pachwai*. I can see no advantage in setting up bodies, which, however they may be constituted, cannot under present conditions and are not likely for a long time, if ever, to be able adequately to represent all shades of opinion in order that they may pass resolutions based on one point of view, many of which must inevitably be vetoed. I am entirely in favour of measures which shall, as far as possible, ensure that the wishes and

opinions of every section of the public should be voiced, that they should be given the fullest consideration, and that they should, as far as possible, be met; but I am strongly of opinion that it should be laid down in no uncertain manner that, however the committees may be constituted and on whatever points they may be asked to advise, their functions are and will remain purely advisory and that the ultimate decision must rest with the officers of Government.

It appears to me to be unnecessary to lay down that the recommendations of the committees should only be disregarded when there are substantial grounds for exercising an official veto. If every objection is fully considered before orders are passed, it follows that grounds which appear to the officer who ultimately passes orders to be substantial, will exist if the objection is disallowed. To lay down a definite principle of this kind will serve no useful purpose, and may merely lead to discussions and agitations bearing upon the interpretation of the term "substantial." Nor can I see any reason for more frequent meetings than at present. The whole question of licensing comes up annually, except in Calcutta, where the intervals are not longer than three years at most. A shop, which is unobjectionable at the beginning of the period, is unlikely to do much harm before the end of it; and if there is any ground for objection in any particular case, the Collector is always easily accessible. At times at which there is no question of granting or renewing licences there would only be business for the committees to transact in very exceptional cases.

If it be agreed that the ultimate decision must rest with Government—and I would repeat that in my opinion it would be most unwise to let it be thought for a moment that any other course is even remotely possible—it is difficult to see how any change that could be made in the direction of separating the licensing and revenue functions would satisfy those who hold the opinion that the general system of licensing is framed so as to encourage as much as possible the use of liquor. The suggestion, which was once made, that licensing should be a judicial function in the hands of a judicial officer appears to me to be positively harmful. Apart from the objections pointed out by the Indian Excise Committee, Government would presumably appear in every case as the party interested in the maintenance of the shops, and, however unreasonable the objections made might be, there is no doubt that it would be placed in a position in which it could be plausibly accused of doing its best to foster the use of intoxicants. Unless the number of licences were largely reduced, the judicial officer himself would probably be accused of partiality. There would presumably be a system of appeals with the attendant uncertainty and delay; and, unless Government bore all the cost of the litigation, it might be said, and not wholly without reason, that the expense stifled reasonable objections.

31. The Government of India have expressed the opinion that the Collector of the district is, under the existing conditions of the Administration, the officer who is most likely to possess the local knowledge required for the satisfactory discharge of the licensing functions. They have also said that the subject is a most important one. The Right Honourable the Secretary of State for India stated in his reply to the deputation that he would be glad to see the double function gradually disappearing. The deputation desired to move in the direction of the establishment of an independent body to deal with the question of licensing, and proposed that the advisory committees should be strengthened, with the intention that the licensing functions should eventually be made over to them. I have already stated that in my opinion this cannot be regarded as a practicable line of development, and, after all, the committees would at best only deal with municipal areas, which form but a small part of the total area of this Presidency. Government must ultimately be responsible, and without doubt its most efficient local agent in this matter is the Collector. If any advance is to be made in the direction of separating the licensing and revenue functions, it should I think take the form of relieving the Collector of the revenue functions and making him directly responsible to Government for the regulation of the number and location of shops. It would also be his duty to watch the consumption of excisable articles and to propose measures for checking any tendency towards excess.

The functions of the district Excise Department are :—

- (i) to make due provision for the needs of persons who use alcohol in moderation, that is, to establish and maintain an adequate number of shops;
- (ii) to minimize temptation to those who do not drink and to discourage excess among those who do, that is, to see that the number of shops is not greater than is necessary to provide for the needs of moderate consumers and that their sites are unobjectionable;

the Division, and not to the Excise Commissioner. Quarterly statements of consumption in each shop for a term of years with explanations of the variations would also be furnished to the Collector, and it would be his duty to take steps to verify the causes of any marked increase in consumption by independent enquiry and to propose measures to check it if it appeared to indicate a tendency to excess among consumers.

As regards Calcutta, it would be a great step in advance and might have a beneficial effect if it were possible for the Commissioner of the Presidency Division to preside over the advisory committee and to deal with the question of the number and location of shops instead of the Superintendent of Excise, who cannot be relieved of his revenue functions.

By action on the above lines the wishes of the advocates of temperance would be complied with in a practical manner. Objections would doubtless still be raised on the ground that the Collector is an executive officer whose promotion is in the hands of Government; but I can think of no other arrangement which would go so far towards a real separation of the licensing and revenue functions, and which would at the same time be so likely to result in fairness to all classes of the public and so little open to any real objection. If any experiment is to be made in this matter, I would recommend that it should proceed upon these lines, and not upon the lines of delegating licensing powers to committees which cannot possibly be made truly representative.

The members of the deputation appear to have overlooked the fact that Bengal, at any rate, bears no resemblance to England, where each town contains a much larger number of public houses within short distances of one another than would be required merely for the purpose of providing for the needs of persons who use alcohol in moderation. In many towns in Bengal there is only one shop for the sale of each kind of intoxicant, and in none, with the possible exception of Calcutta, are the facilities for obtaining intoxicants in any way comparable with those which exist in Europe.

REDUCTION IN THE NUMBER OF SHOPS.

32. The Government of India have enquired what further reductions (if any) will now be possible in the number of shops.

The Annual Report for 1911-12 shows that in 21 districts out of 27 the average area per country spirit shop is more than 50 square miles, and if the urban areas, where shops are naturally close together, are excluded, the average would, in several cases, be even higher. The exceptions are Burdwan, where the average area (30 square miles) is reduced on account of the large mining and industrial population in the Asansol sub-division. Bankura (38 square miles) where illicit distillation is very prevalent and easy, Hooghly, Howrah and Calcutta, each of which contains an urban and industrial population largely composed of immigrants from spirit-consuming tracts, and Darjeeling, which is similarly affected by immigration and where the natural features of the country render shops far less accessible than the average area served by each (38 square miles) would indicate. The following figures show how far the principle of reduction in the number of shops has been carried since 1882-83 :—

District.	1882-83.	1911-12.
Burdwan ...	111	89
Birbhum ...	67	29
Bankura ...	125	69
Midnapore ...	170	80
Hooghly-Howrah ...	159	139
24-Parganas ...	99	97
Calcutta ...	136	111
Nadia ...	93	52
Murshidabad ...	55	36
Jessore ...	64	42
Khulna ...	33	41
Dacca ...	95	52
Mymensingh ...	83	59
Faridpur ...	64	26
Bakarganj ...	80	19
Chittagong ...	40	17

number has been reduced it will be very difficult to increase it, I think it is necessary to proceed cautiously, and I should prefer not to commit myself to the opinion that a further reduction is advisable under existing circumstances until I have had more opportunity of visiting the shops and of examining the conditions under which they work than I have had at present. Another reason for caution is that the operations of the Calcutta Improvement Trust are likely to deprive vendors of the sites of several shops, which may have to be abolished altogether if other sites cannot be found. The conditions in Calcutta are peculiar. The number of sites is limited and objections are raised, perhaps not unnaturally, if it is proposed to open a shop on a new site even when it is close to the old one. I think that it might facilitate a reduction in the number of shops if Government were to acquire sites and construct premises, which would be leased to the vendor with whom settlement was made. The existing premises are often small and the number of consumers is generally large. If a shop is closed it means that the consumers have to resort to another shop where they increase the congestion. With the existing premises this is undesirable on sanitary and other grounds. But if large premises were constructed by Government, which would always be available, it might in several places be possible to substitute one large shop for two smaller ones. Another advantage in acquiring sites would be that the shops would be built in the places least open to objection. Other difficulties which would be mitigated by action on these lines are—

- (i) in several cases the premises do not satisfy the requirements of the Excise Department in every respect, but the defects have to be overlooked as no better premises are available, and the landlords will usually make no improvements whilst there is little inducement for the vendor to do so at his own expense;
- (ii) the difficulty of obtaining a site tends to prevent any person except the vendor in possession from bidding for a large number of the shops. The shops are sanctioned at particular sites. If the person who obtains settlement of the shop is unable to obtain possession of the premises on the sanctioned site, the question of location has to be gone into again by the Police and Excise authorities even if he be able to obtain another site in the neighbourhood, and this involves a considerable amount of harassment and delay. It is partly due to this that there is no real competition at auctions in Calcutta, that the incidence of licence-fees is so much less than in most of the adjacent areas, although consumption is so much larger and profit greater, and that the price of country spirit has been kept at a low level.

Whilst, however, I think that the acquisition of sites would enable Government to go further in meeting the wishes of the deputation than is likely to be possible under existing circumstances, and although I consider that such a course would be advantageous from an administrative point of view, I am not prepared to recommend such action unless Government is forced to it by its becoming absolutely impossible for vendors to obtain sites otherwise or unless there are clear indications that public opinion would regard it as a lesser evil than those which it would seek to prevent. Although the objections to the State ownership of premises for the sale of liquor do not appear to me to be very serious, there seems little doubt that action in this direction would raise a public outcry, and that it would be misunderstood. The object of the measure would, after all, be mainly to remove objections raised by members of the upper classes to the number and location of shops and to their construction and arrangement. It is doubtful whether the temptation afforded to passers-by by the existence of a few more shops than the minimum which would be possible if the area, which might reasonably be served by each, were alone considered without regard to the number of consumers, present or future, leads to the consumption of much liquor which would not be consumed in any case. It cannot be confidently asserted that consumption will diminish because there are fewer shops. Mr. Geake pointed out in his note of dissent to the report of the Calcutta Excise Committee of 1908 that the theory that fewer shops means smaller consumption was probably fallacious, and his views are supported by recent experience which has shown that a large reduction in the number of opium shops has not caused any decrease in the amount consumed. Of course opium and country spirit cannot be regarded as exact parallels—illicit manufacture is easier in the case of country spirit, and it is more easily replaced by other intoxicants. But if measures taken to meet the wishes of the advocates of temperance are likely to result

in more serious agitation among the classes which those advocates represent, I think they should be avoided and that action should continue on the old, though probably less effective, lines. Should there be any indication at a later date that public opinion would support the acquisition of sites, this remedy can be applied at any time.

36. The urban areas adjoining Calcutta are largely inhabited by mill hands who spend most of their time at work. Such persons cannot be expected to devote much of their leisure to walking long distances in order to obtain the liquor which they habitually consume, and if reasonable facilities are not afforded to them, the means of meeting their requirements from illicit sources are not likely to be lacking. This fact must be borne in mind when the number of shops in those areas is dealt with. The shops are already further apart than in Calcutta. It should be possible for the Excise Commissioner personally to visit most of the shops in these areas during the coming cold weather and to judge for himself if any reduction can be effected; but, unless two shops happen to be very close together, it is doubtful whether much can be done except in the direction of efforts to find unobjectionable sites. It may be mentioned that the site question is almost as difficult in thana Serampore as in Calcutta; and that cheap liquor is freely smuggled from French Chandernagore into the surrounding British territory. It follows from this last fact that any considerable reduction in the number of British shops in the immediate neighbourhood of French Chandernagore is more likely to increase than to diminish drunkenness, as British subjects will merely go to French Chandernagore and drink more liquor for the same money.

37. There appears to be room for a reduction in the number of ~~ing~~ ^{new} ~~old~~ ¹⁸⁸²⁻⁸³ shops in certain districts. *Pachwai* in some places is more responsible for ~~it~~ in ^{it} vice than is caused by country spirit. The main difficulty in the way of large ~~re~~ ^{re}duction in the number of shops is that illicit manufacture is so easy that any considerable decrease of facilities will merely lead to the substitution of illicit for licit liquor, and the cause of temperance will not be benefited. I have asked Collectors to make proposals for a reduction in the number of shops, but action will have to be gradual and cautious, and heroic measures should be avoided.

CURTAILMENT OF HOURS OF SALE.

38. I consulted the Commissioners and district officers as to what further progress is possible as regards the curtailment of the hours of sale of intoxicants, and enquired tentatively whether there would be any objection to fixing the hours from 5 a.m. to 8 p.m. in places in which the present hours are from sunrise to 9 p.m., or, outside Calcutta, to 8 p.m. in the cold weather. I also enquired whether it would be desirable to provide for the closure of shops during the hours when processions are likely to be actually passing, and whether orders directing such closure could be enforced effectively.

39. The majority of the officers consulted are of opinion that no serious inconvenience would be caused if shops were opened at 8 a.m. instead of at sunrise, and the Commissioner of Dacca (the Honourable Mr. Beatson-Bell) would fix the hour as late as 10 a.m. The Collectors of Hooghly (Mr. Prentice) and Howrah (Mr. Patterson), however, report that the mills open at 7 a.m. and that persons who have indulged in liquor at night require a dose in the early morning or they are unfit for work for the whole day. They add that in the hot weather people prefer to make their purchases before 8 a.m. on account of the heat. The Commissioner of Burdwan (Mr. Hallifax) agrees with them that the hour of opening should not be changed, but the Superintendent of Excise, Calcutta (Mr. Baboneau), reports that those who drink in the early morning are largely habitual consumers of liquor who feel a craving for drink caused by depression after their overnight debauch. He further states, however, that in some cases shops in Calcutta are required to be open at a very early hour to meet a legitimate demand, for example, shops near the markets where the stall-keepers come for a drink after a long night's journey or those which supply labourers who have been working at night, often exposed to the weather, in connection with the mills, docks and shipping. With the exception of these two classes, it is unusual for anyone to drink in the early hours of the day. Mr. Baboneau believes that men who are only just acquiring the habit of drinking or who belong to the better classes rarely visit the shops in the morning, in the hope that there will then be less chance of their being observed, since, if they did so, they would smell of liquor all day, and the fact that they had been drinking could

easily be detected. The Commissioner of the Presidency Division (the Honourable Mr. Lang) considers that in rural areas generally the early morning and evening hours are the most convenient to customers, and that in his Division the extent of business is such as to render any curtailment of hours inadvisable and unnecessary. The Collector of the 24-Parganas (Mr. Dunlop), however, sees little objection to opening at 8 a.m., though he does not consider it to be a fact that persons who are ashamed to drink openly visit liquor shops in the early morning. The Collector of Jessore (Mr. Johnston) considers that the labouring classes of consumers would be seriously inconvenienced if shops were not opened until 8 a.m., as they obtain their supplies before they start for work. The Collector of Faridpur (Mr. Woodhead) would fix 6 a.m. in summer and 8 a.m. in winter. The Commissioner of the Chittagong Division (Mr. Radice) and the Collector of Tippera (Mr. Rankin) would not deprive the poor of facilities for obtaining opium at early dawn when sometimes they require it most. It is often taken medicinally and is hardly used as an intoxicant in the Tippera district. Similarly the Collector of Chittagong (Mr. Clayton) would make no alteration in the present hours, as the amount sold in the early morning is nominal and no advantage would be derived from restrictions, whilst inconvenience might be caused to persons who required spirits for medicinal purposes. The Collector of Dinajpur (Mr. Ezechiel) would open the shops at 8 a.m. in the cold weather and 7 a.m. in the hot. The Deputy Commissioner of Jalpaiguri (Mr. Milligan) considers that any curtailment of the hours of sale would tend to increase smuggling in his district. All the other officers agree to the proposal that shops should not be opened till 8 a.m. At the same time no officer has said anything which would go to support the opinion formed by the deputation that persons who are ashamed to drink openly resort to the shops to any great extent in the early morning.

I do not think that there can be any great objection to the issue of orders that no shop for the retail sale of excisable articles shall open before 8 a.m. In so far as such orders tend to discourage excessive drinking overnight they will be advantageous, but I do not think that they will do this to any great extent, and their effect on the amount of alcohol consumed is likely to be small. Those who require intoxicants in the early morning can easily procure a sufficient stock overnight, and will probably learn to do so after the rules have been in force for a short time. There does not appear to be any very great danger that later opening hours will lead to illicit practices, except possibly to the illicit sale of *tari* by tappers and carriers. The probability that excisable articles may be required for medicinal purposes might be used as an argument for permitting sales at any hour of the day or night, and I do not think that the proposal should be negatived on that ground alone.

40. The question of earlier closing hours presents more difficulty. Several officers are in favour of the proposal. The Deputy Commissioner of Darjeeling, where the country spirit shops already close at sunset, would not object to closing all excise shops at that hour. The Collector of Nadia would close them at 7 p.m. The Collector of Midnapore would fix that hour in rural areas only, and the Collector of Faridpur would close at one hour after sunset. The Commissioners of the Dacca, Chittagong and Rajshahi Divisions and the Collectors of Birbhum, Bankura, Mymensingh, Bakarganj, Tippera, Noakhali, Rangpur, Bogra, Pabna and Malda would close the shops at 8 p.m. all the year round, though some of those officers admit that the change would be likely to result in an increase in illicit practices. The other officers are opposed to any change in the direction of earlier closing hours.

The main difficulty in the way of earlier closing hours is that consumers are, in many cases, not free to obtain their supplies until after dark. This is particularly the case with labourers in the industrial areas who are at work until 7, 8 or even 8.30 p.m. The close of the day's work is the time when the moderate consumer chiefly feels the need of stimulants, and it would certainly be a flagrant case of interference with his habits if the shops were closed at the only time when he could obtain them legitimately. The demand would certainly be satisfied illegitimately. It would be very difficult to check this illicit traffic which would after all, for the most part, be supplying a legitimate demand, but any failure to check it would be pointed to as another case in which Government closed its eyes, more or less deliberately, to the breach of its own rules, for fear that the revenue might be affected. Whilst it would be practically impossible to enforce early closing hours at all in rural areas except when a Government officer happened to be present, earlier hours would certainly lead to a serious extension of illicit practices in towns. The special circumstances of one or two areas would tend to render orders for earlier closing ineffectual on other grounds. The shops in

French Chandernagore do not close until 10 p.m., and there is nothing to prevent British subjects who live in the neighbourhood from resorting to them after the British shops have been closed. In Jalpaiguri again there are a series of outstalls on the borders of Bhutan and Coeh Behar, which compete successfully with the British shops at all times; any additional restrictions placed upon the latter would merely lead to increased smuggling of outstill liquor. I do not think therefore that the present closing hours should be curtailed, as far as liquor shops are concerned. Such action would in many cases amount to interference with the habits of moderate consumers, it would lead to illicit practices which could not be checked, and it is very doubtful whether it would have any effect whatever in checking consumption or in saving persons who are ashamed to drink openly from acquiring the drink habit. Such persons do not ordinarily take to drink unless they are led to do so by their friends or acquaintances. In these cases they would have no difficulty in obtaining supplies through their associates, or, in the case of those who are well-to-do, through their servants or others. There is no need for them to go to the shop in person at all if they are ashamed to do so, and although they might not be seen on their way to the shop if they went after nightfall, it is the very time of all others when they could most easily be seen inside it.

41. There will be little harm in closing all drug shops at sunset. Opium shops are already closed at that hour in the Burdwan and Presidency Division and in Darjeeling and no serious inconvenience has been caused. Drugs are largely consumed on the premises, they are easily carried, and a quantity sufficient for some days can usually be purchased at a time. The restriction would, however, like most restrictions, be likely to press most hardly on the poorest classes, who, for the sake of their purchases in small quantities. It is unlikely to cause any decrease in the sale of large quantities, and, in so far as it does so, may, in the larger towns, result in a slight increase of cocaine which is sold illicitly at all hours.

42. There is a general consensus of opinion that any attempt to close shops in rural areas whilst processions were passing would be impracticable and undesirable. In most cases orders could not be enforced and the vendors would be placed at the mercy of the subordinate police. As regards towns it might be possible to enforce such orders, though they would lead to illicit practices. None of the Collectors support the theory that persons who would be ashamed to enter a shop at other times slip in whilst processions are passing, and several have pointed out that their opportunities would be very rare. Some practical difficulties have been referred to by the Collector of the 24-Parganas—"Licences for processions are usually obtained from the police who deal with them without reference to other authority. If liquor shops are to be closed, information must be sent to the Collector, who will in turn issue orders to have the shops closed. Besides the extra trouble, opportunities for blackmail and illegal gratification will arise, whilst the resulting benefit is problematical. At the last moment the promoters may find it inconvenient or impossible to hold the procession, but the shops will have been closed already; this will cause harassment to the vendors and further opportunities for illicit gain. If, however, persons who are ashamed to drink openly are on the watch for processions, so that they may follow and seek an opportunity of entering a liquor shop unobserved, their object would be attained by any incident that attracts a crowd, such as an upset vehicle, an arrest, or a quarrel. Processions do not pass every day in any locality nor are liquor shops as numerous as public houses in England." The Commissioner of the Presidency Division considers that shops for consumption of liquor on the premises might be closed with advantage during religious festivals where there are aboriginal customers. The Collector of Nadia does not think that there can be many instances of persons slipping into shops, whilst processions are passing, and getting intoxicated, but he would close shops for some hours or even for the whole day at particular festivals in particular places, where past experience has shown that serious drunkenness is likely to take place, and would restrict the quantity which might be sold in places where large numbers of people congregate. The Collector of Mymensingh would give the Collector a discretionary power to close shops during processions, if necessary. The Commissioner of Chittagong and the Collectors of Noakhali, Bogra and Pabna would close shops in towns when processions are likely to pass by them; and the Collector of Tippera would do so on the requisition of the processionists or of the police.

I do not think that any case has been made out for general action in the direction of closing shops at religious festivals or during the passage of processions. To close shops altogether on festival days would be no more justifiable than to close all public houses on a bank holiday in England. It would, moreover, lead to a large number

of illicit sales which could not easily be detected, as the detection of cases of this nature depends mainly upon information and not on chance, and before the information could be acted upon the festival would usually be over. An attempt to limit supplies, such as that suggested by the Collector of Nadia, will not ensure equal distribution among consumers; it will put a premium upon illicit sales and will have little or no effect in preventing drunkenness. There would, however, in my opinion be no harm in giving the Collector a discretionary power to close shops in towns during the actual passage of processions, if he had reason to believe that drunkenness would otherwise occur to any considerable extent.

THE POSSIBILITY OF ABOLISHING THE AUCTION SYSTEM.

43. The deputation pressed for the abolition of the auction system in the disposal of licences. Their argument is that in practice any increase in licence-fees has no effect upon the price of liquor unless all fees are raised in the same proportion, which never happens. If more is paid for the licence the licensee must recoup himself by an increase in sales, and not by an increase in prices. The auction system tends to force up licence-fees unevenly and thus definitely encourages consumption. It has further been urged against the auction system that, in so far as it determines the real value of a shop at all, it determines that value on the basis, not only of licit sales, but also of sales effected by every kind of illicit practice to which the vendor can possibly have recourse.

Much of this argument might be used against any proposal to increase the taxation of excisable articles in any way; it is merely a statement that when there is competition a vendor will use every means to extend his sales sooner than raise his prices.

44. In this Presidency the question must be considered separately in its relation to rural and urban areas. Throughout the greater part of the area competition between shop and shop is practically non-existent. It is obvious that in rural areas, where the shops are as far away from one another as they are in most districts, a vendor would not be deterred from raising his prices by the fear that other vendors might not do so and that they would thus attract his custom. His only fear would be that he might destroy his market altogether by driving consumers to other forms of intoxicants if he raised his prices too high, and there is abundant evidence from practically every rural area that this fear has not acted as a deterrent in the past. Under the central distillery system, when vendors were free to charge any price they liked, they met increasing licence fees, not by any attempt to increase their sales, but by increasing their prices. If the arguments put forward by the deputation held good for rural areas, there must have been a large increase in consumption, licit or illicit. But the statistics do not bear out this theory. A single instance will suffice, though the statistics of practically every purely rural area follow similar lines. The revenue from licence fees in Nadia in 1890-91 was Rs. 18,153. In 1906-07 it was Rs. 30,500. The consumption of country spirit was 5,938 L. P. gallons in 1890-91 and 4,554 L. P. gallons in 1906-07. The rate of duty was the same throughout the period, and illicit practices are not believed to have prevailed to any great extent, though the reason was chiefly that the place of country spirit could be taken by cheap foreign liquor.

It cannot be said therefore that the arguments put forward by the deputation are applicable to rural districts in which each vendor has a monopoly over a considerable area; in fact, the objections to the auction system in such places are of a precisely opposite nature. The tendency for the incidence of licence-fees on consumption to increase leads vendors in such places, if left to themselves, to raise their prices to a figure which drives consumers either to practise illicit distillation or to use other intoxicants. This difficulty has been surmounted in some districts by the fixation of maximum prices and by measures taken at the time of auction to check speculative bids. This system is not ideal. It is probable that the rural consumer, who is in a better position to practise illicit distillation, will have to pay more for his liquor than the urban consumer, even when the maximum price is the same, not only because the urban vendor may sometimes, under the stress of competition, sell below the maximum price, but because it is more difficult for the preventive staff to supervise rural than urban shops and to check dilution and short measure, and because these practices are more likely to be resorted to by a vendor who has a monopoly than by one who risks losing his customers if he adopts them. But after all this only follows the general rule that luxuries can be obtained more cheaply in large towns than in the country. Again the system of restricted auction may be

said to be a departure from the main principle, and depends too much upon the personal action of the officer who conducts the sales. But, at any rate, there is never likely to be any difficulty in increasing the price of country spirit in rural areas whenever it may be found desirable to do so.

45. The arguments put forward by the deputation were, however, probably intended to apply primarily to urban and industrial areas in which the shops are sufficiently close together to feel the effect of competition and in which alone the increase in the consumption of country spirit tends to become serious. The most important of these areas is Calcutta. It is somewhat difficult to ascertain what the actual retail prices of country spirit in Calcutta are, as the vendors are allowed to dilute spirit before sale and the bottles in which it is sold are of varying sizes. So little reliance can be placed upon the figures, which have been reported from time to time, that they cannot be accepted as a true indication of the fluctuations of price which may have taken place. There is, however, a general consensus of opinion that the fluctuations have been small. The fact as regards Calcutta appears to be that the vendors are an unusually astute body of hereditary liquor sellers who know their business most thoroughly. Unlike the vendors in rural areas, they are exposed to the influence of competition, and this alone tends to keep prices down. But they are also alive to the advantage of a system of small profits and quick returns. They will probably give short measure whenever they get a chance, but here again competition sets a limit to their exactions. There is also reason to believe that they sometimes transact sales at unauthorized hours. But they do not obtain liquor from illicit sources—illicit distillation is difficult and uncommon in Calcutta—and dilution is not prohibited. I am quite prepared to believe that they push sales by every means in their power and that they sometimes even try to encourage persons to drink who would not otherwise do so, a line of action which would be applauded in any other trade as showing enterprise and aptitude for business. But I do not think that this can be fairly attributed to the auction system or to the fact that licence-fees are unduly high. The vendors are generally disposed tacitly to recognize one another's rights, and they know their business too well to enter into cut-throat competition with one another at auction, which would lead to reprisals. Cases of rivalry occur sometimes, but as a rule the vendors would be more likely to combine to ruin an outsider than to interfere seriously with one another, a policy in which they are aided by the difficulty which a new vendor would usually have in obtaining a site. There is little real competition at auction. At the sales last March there was only one bidder each for 90 country spirit shops out of 107, and of the remaining 17 only four changed hands. Only a few weeks back a vendor appealed to Government against the abolition of a shop on the ground that he and his ancestors had held it for more than 150 years and that by its abolition he was being deprived of his means of livelihood. The general incidence of licence-fees on consumption is lower in Calcutta than in the neighbouring districts. The fees of some shops may occasionally be forced considerably above the average by competition at auction, but there is no reason to believe that the vendors of such shops are the only vendors who do their best to push their sales. It is the object of every vendor to make as much money as he can, and, even if licence-fees were abolished altogether, the vendor who could sell the most liquor would still make the largest profits. When there is competition between shop and shop there cannot be much variation in price, and in congested areas, which are largely peopled by consumers of country spirit, there can be no question of reducing the number of shops to a point at which competition would be non-existent.

It may be urged that a reduction of the amount paid as licence-fees would remove the temptation to commit illegalities and to push sales. A study of the licence-fees and consumption in the Barrackpore subdivision on the one hand and in thanas Behala, Tollygunge and Budge-Budge on the other in 1911-12 and 1912-13, however, will go far to dispose of this theory. The incidence of the licence-fees for 1911-12 on the consumption of 1910-11 was practically the same in both areas. In 1912-13 it was reduced in the former and increased in the latter. The result was that the vendors in the Barrackpore subdivision were enabled to reduce their prices whilst those in the other areas were unable to do so. Consumption increased by more than 18 per cent. in the Barrackpore subdivision whilst the increase in the other three industrial thanas of the 24 Parganas was less than 4 per cent. A failure to raise licence-fees to a sufficiently high figure has had very similar results in the Howrah district and in thana Serampore. Any marked reduction in the amount of licence-fees would certainly result in lower prices and increased consumption unless

it were accompanied by a corresponding increase of duty. And if the rate of duty were correspondingly increased, the inducements to push sales and to break the departmental rules would be precisely the same as now.

Licence-fees undoubtedly bear unevenly upon different shops, and it is said that the auction system accentuates this evil. The transfer of revenue from licence-fees to duty must, however, be limited by three considerations : the first is that it cannot be carried beyond the point at which the shop in which the incidence of licence-fees is lowest will pay no licence-fees at all ; the second that, when there is a considerable difference in the rate of duty in adjacent areas, liquor, which has paid the lower rate of duty, will tend to find its way into the high-duty area; and the third that, some time before the rate of duty on country spirit reaches the tariff rate, the effect of the enhancement will merely be to substitute foreign liquor for country spirit. the combination of these limitations will prevent the policy of a transference of revenue from licence-fees to duty from being carried very far even in Calcutta. But however far it is carried, there will always remain a difference between one shop and another which can only be adjusted by means of licence-fees. Under no system is it possible that this adjustment can be made with absolute fairness, as the result will depend upon circumstances which cannot be accurately foreseen.

46. It may be considered what other systems can be substituted for the auction system and what prospects of more satisfactory results they promise. The first alternative is a system of fixed licence-fees. Certain classes of licences are at present settled at fixed fees, but they afford little indication of the probable results of a general adoption of such a system. These licences are :—

- (a) licences for drugs granted to chemists, medical practitioners, &c., at nominal fees;
- (b) certain licences for the sale of foreign liquor;
- (c) opium licences in the district of Chittagong.

In the first class the fee is merely a registration-fee and does not cover the sale excisable articles to the public for consumption as intoxicants.

The second class covers first sales by wholesale; second sales in hotels, restaurants, theatres, steamers, railway refreshment rooms, &c.; third sales by the bottle for consumption off the premises, and fourth sales for consumption on or off the premises in country spirit shops in Calcutta. In the first two cases settlement by any other system is impossible. In the fourth the practice only exists, because it was considered more desirable to continue it than to increase the number of shops for the consumption of spirits on the premises. No attempt is made to base the fee on the amount of alcohol sold, as this would be impossible in view of the varying strengths, prices, &c., at which different brands are retailed. The system is only a makeshift, and its chief effect is to make it more difficult to ascertain the real profits of the shop than it would otherwise be. It cannot be regarded as a true example of the fixed-fee system. Outside Calcutta licences for the sale of foreign liquor by the bottle are only issued in places in which they are needed to supply the wants of classes which are accustomed to use such liquor, and they are settled at low fixed fees with respectable persons, who are not connected with the country spirit trade, in the hope that the licensees will not try to make foreign liquor compete with country spirit. When a man of this class cannot be found or when a tendency to push sales is shown, these licences are auctioned in order that a high-licence-fee may prevent competition with country spirit. In Calcutta these licences are held by wine merchants.

The system of fixed fees for opium licences in Chittagong was devised in order to stop sales to smugglers. The amount of opium which may be issued to each shop is fixed, licence-fees are calculated so as to allow a fixed rate of profit per seer, on the assumption that the whole of the permissible issues will be sold at the average price which is believed to have prevailed in the shop during the previous year, a liberal allowance is made for shop expenses, and the shops are settled by lot among selected candidates. The result has probably checked smuggling from shops in Chittagong, but it has enhanced the price of opium enormously and has not checked smuggling into or through the district. It puts large profits into the pockets of those who are fortunate enough to draw the best shops, and they absorb a considerable part of the money which should come as revenue to the public purse.

The system was introduced with a definite object which has been attained. It is not necessary to consider here whether that object was worth the loss of revenue which it has involved. It need only be pointed out that the system could not be applied to country spirit shops. It depends entirely for its success upon the restriction of the supply of opium which has enabled the vendors to force up prices. The

supply of country spirit, which is an article which can be illicitly manufactured by anyone, cannot be restricted, nor can the price be forced up indefinitely, for this would merely lead to the substitution of an illicit for a licit article to a far greater extent than is possible in the case of opium.

47. A system of fixed-fee licences can be worked in several ways. Under the first method an attempt is made to fix the fee according to the value of the shop. If this could be done with accuracy, it would obviously be the best course to adopt. But this is impossible, and there can be little doubt that the vendors themselves are in a better position to form an opinion of the true value of a shop than the excise officers, however unimpeachable the honesty of the latter may be. Not only have the vendors an hereditary aptitude for the liquor business, but, for reasons of which the excise officers may not be aware, a particular shop may be of greater value to one man or he may be able to pay more for it than another. In Calcutta again there are two complicating factors—the difficulty of obtaining sites and the fact that the holders of many of the country spirit shops have the right, on payment of a fixed fee, of selling foreign liquor. It is practically impossible for an excise officer to ascertain the value of this foreign liquor business, but, as the fee is fixed, the profits made from it react upon the price which can be paid for the country spirit licence. With the best intentions a system of fixed fees is just as likely to be wide of the mark as an auction system. The management of such a system must be largely in the hands of subordinate officers in whose way great temptations would be placed. This difficulty might be overcome if, when the fees had been fixed, the actual vendors were selected by lot, but this would only be practicable in Calcutta if Government owned the sites.

A second method would be to fix licence-fees on the basis of past transactions. This would be open to the objection that it would tend to make a bad year pay for a good one and to perpetuate an increase in consumption which might have been due to a temporary cause. If the fees were modified in order to meet conditions of this kind, the method would tend to become a reversion to that which has already been discussed.

The third method would be the grant of a licence to sell country spirit on payment of a certain fixed sum, which would be larger in towns than in rural areas and in one district than in another. This system would have the advantage of being automatic, but I do not think that it would work in practice, as it would disregard the differences between different shops. In an industrial area, for example, one shop might be situated near several mills or mines, and a large number of consumers would resort to it; another might have a comparatively small clientele. One fee would obviously not suit both. A fee high enough to prevent the vendor of the larger shop from reducing his prices in order to increase his sales would be too high for the licensee of the smaller shop to pay at all. Of course, shops might be roughly classified according to the probable number of consumers, but this classification would necessarily be very rough indeed, or it would do away with the chief advantage of the system—that it worked automatically. Or this system might be combined with an arrangement under which the rate of duty was increased for every 100 gallons issued, but this would lay it open to the same objections as any system which depended on a differential rate of duty in a small area, viz., that liquor issued to a low duty shop would be sold in one which was liable to pay a higher rate.

A great objection to any system of fixed fees would be that it would increase the difficulty of abolishing a particular shop, as this might deprive a respectable vendor of his means of livelihood, whilst leaving less desirable persons in the trade. It would obviously be impossible to turn a vendor out, except upon the clearest evidence of malpractices, whereas it is now possible to do so in case of reasonable suspicion, and it might be difficult to resist a claim for compensation if a shop were abolished or a change of site were insisted on when a vendor had held a shop in one place for a number of years.

48. Another system, which has been suggested as an alternative to the auction system, is a system of confidential tenders. It has been urged in support of the tender system that the offer made would give a more accurate indication of the true value of the shop than bids made in the excitement of an auction, and that the presiding officer would be better able to decide between the claims of rival candidates at leisure. It seems, however, that a vendor who wishes to oust another or who is afraid of being ousted would be just as likely to make a speculative tender as a speculative bid, and both would equally be based on illicit as well as licit profits.

The tendency would be for the vendor to make a tender as high as the highest bid which he would be prepared to make if he expected competition, or to tender an entirely inadequate price if he were in a position (such as the possession of the only available site in a locality) in which he thought he could defy competitors. In neither case would the tender be a true indication of a fair price for the shop. The system would lend itself to blackmail as readily as the auction system. It would be next to impossible to keep tenders strictly confidential, and the lack of publicity would tend to destroy confidence and to create suspicion.

49. It seems doubtful whether the auction system is really responsible for the evils which are urged against it, and still more doubtful whether the substitution of any other system would result in inducing vendors to abandon their efforts to increase their sales in an area in which competition exists. In such areas the enhancement of licence-fees may not be a very effective way of increasing prices, and there is no doubt that this object can be attained with greater certainty by enhancing the rate of duty. But experience has shown that a failure to enhance licence-fees as consumption increases tends towards a reduction in prices and an increase in consumption. Shops paying high licence-fees do not as a rule attempt to stimulate consumption by cutting prices, though in exceptional cases a vendor may try to ruin a rival even at considerable cost to himself. The worst cases of cutting prices, which have come to my notice, have occurred where a shop near a town has been settled at a low licence-fee which enables the vendor to compete with the town shop by selling at prices which the town shop cannot adopt; and this might happen under any system. In rural areas, where competition is practically non-existent an enhancement of licence-fees will almost inevitably increase prices. The auction system may lead to inequalities in the incidence of taxation, but it is difficult to devise any system which would not do so to some extent; and the auction system has the great advantage of publicity.

One objection to the auction system which has not been mentioned by the deputation is that it tends to throw the trade into the hands of monopolists. This has been recognized by the rules, which lay down that, if a fair price can be obtained from a small local man of good character, his bid may be accepted in preference to that of a capitalist who bids higher. If sustained action is taken on these lines, the evil should disappear, and, if necessary, known monopolists can be definitely excluded from auctions for rural shops.

I am not at present prepared to recommend a departure from the auction system. If it is desired to make an experiment, I am inclined to think that the third system referred to under the head of fixed fees would probably be least harmful under existing conditions. But it would be necessary to introduce it tentatively at first and the details would have to be worked out with great care.

I have dealt above with the auction system as applied to country spirit shops. The same considerations are generally applicable to the disposal of licences for the sale of all excisable articles on which a fixed duty is levied. It has never been suggested that any alternative, except the tender system, can be applied to shops for the sale of excisable articles, such as *tari* and *pachwai*, from which the revenue is at present raised solely by means of licence-fees. My reasons for preferring the auction to the tender system have been given above.

THE SELECTION OF SHOP SITES.

50. In conformity with the suggestion contained in paragraph 4 of the Government of India's letter, instructions have again been issued to the local officers, with the exception of the Superintendent of Excise, Calcutta, impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles embodied in the Excise Manual. They have been asked to examine the sites of all liquor and *ganja* shops annually, and, when submitting their annual settlement proposals, to make a note against each shop, of which the site infringes any of the principles, showing in what respect it is objectionable and in what manner they propose to effect compliance with the rules. As regards Calcutta, the sites have been examined in detail as recently as December, 1912, and altogether three times in the last five years. Whilst it is known that in several cases the sites are not free from objection, it will be very difficult indeed to secure unobjectionable sites except by acquisition, and little advantage would be gained by a further detailed examination during the current year. Such an examination will again be made in the ordinary course towards the end of 1914.

SALES AT UNAUTHORISED HOURS IN CALCUTTA.

51. I have obtained reports from the Commissioner of Police and the Superintendent of Excise, Calcutta, regarding the alleged sale of liquor at unauthorized hours. The latter officer states that of five cases reported during the year 1912-13 the allegations were found to be groundless in two, and two others ended in acquittal. He points out that in the event of unauthorized sales of this kind being detected the licensee becomes liable to cancellation—a contingency which involves the forfeiture of the large sums of money paid as advance fees—and that the vendors would be unlikely to run this risk for the sake of a trifling profit.

The Commissioner of Police has, however, reported, as the result of very extensive observations made during the current year, that a month's careful watching has resulted in the detection of after-hour sales in no fewer than 20 shops. These sales almost invariably consisted of non-ejection of persons who were in the shop at 9 p.m. In the majority of cases these persons were not turned out for periods of time ranging from five to 25 minutes. It may be mentioned that the general conditions of the licensee only prohibit actual sales after 9 p.m., and do not prohibit consumption on the premises of excisable articles purchased before that hour. It is doubtful therefore whether, in most of the cases referred to above, any breach of the conditions of the licence had been committed. In four cases, however, sales by side doors were detected, and in three cases persons were admitted into the shop by unfastening the door after the shop had been closed.

It is, I think, clear that after-hour sales are carried on in Calcutta, though they are not as frequent as was suggested by the deputation which waited upon the Right Honourable the Secretary of State, and the Commissioner of Police admits that his enquiries point to the connivance of the beat constables. He is taking steps which he hopes will obviate this in future. He suggests that padlocks should be placed outside the doors of the liquor shops and that superior officers should be employed to observe the shops themselves or to depute reliable agents to do so. He mentions that some years ago when these unauthorized sales were particularly rife they were completely checked by the action of the Temperance Society, which placed gentlemen, whose word was beyond dispute, to watch and report on the shops.

52. I have instructed the Superintendent of Excise, Calcutta, to issue a general warning to all vendors that in future conviction for transacting sales after the authorized hours will invariably be followed by the cancellation of all licences held by the offender and by the attendant penalties of forfeiture of advance fees and of liability for any loss occurring on the resettlement of the shop. I have also instructed him that all charges of this nature should be taken into Court, and not dealt with departmentally, in order that they may be thoroughly and publicly sifted. I have further directed the Superintendent of Excise—

- (i) to order the vendors to place padlocks on the outside of every door leading into the shop when it is closed;
- (ii) to see that the superior officers under him personally watch the shops in order to satisfy themselves that the conditions of the licence are not broken.
- (iii) to enlist the aid of the Calcutta Temperance Federation, of which the Honourable Dr. Deva Prasad Sarbadhikary is President, in employing gentlemen, whose word is beyond dispute, to watch and report on the shops.

These measures should, I think, put a stop to the irregularities complained of as far as the shops are concerned, but I would suggest that the general condition of the licences should be amended from the next settlement so as to provide for the actual closure of shops at 9 p.m., and not merely for the cessation of sales at that hour.

53. There is, however, another class of sales, viz., sales at unauthorized places. Such sales are of course illegal at any time, and the question of hours does not arise in this connection. It is well known that a considerable quantity of liquor is sold by or through prostitutes at their own houses, but it is practically impossible to put a stop to this practice as it cannot be proved that the money paid to the prostitutes is actually paid for the liquor supplied. The Commissioner of Police reports that it was decided some years ago that inquisitorial visits by police officers to prostitutes' houses in order to check the sale of liquor were objectionable, and a similar objection would seem to apply to visits by excise officers. It would, moreover, be difficult to obtain respectable witnesses to such transactions. Prostitutes cannot be prevented from pur-

chasing liquor, and a reduction in the limit of retail sale of country spirit would merely lead to the substitution of foreign liquor. The question is a very difficult one. When in the majority of cases it would be impossible to prove actual sale, it is doubtful whether even the employment of an increased preventive staff and the adoption of inquisitorial methods would prove effective in checking the practice. Sales may be effected at other unauthorized places, but success in detecting such cases is dependent on information : it is hardly possible to discover them by chance. I have asked the Superintendent of Excise to enlist the aid of the Temperance Federation in this matter also, and to arrange that, if definite information as to such sales comes to their notice, it may be communicated to him confidentially, in order that the preventive staff may take steps to bring the offender to justice.

STATISTICS OF VEND AND CONSUMPTION OF FOREIGN LIQUORS.

54. With reference to the instructions contained in paragraph 6 of the letter from the Government of India, I would mention that the only information available is that contained in the accounts of the vendors which, in the case of retailers, are often unreliable. A further difficulty is that liquor frequently passes through three or four hands before it reaches the consumer. For example, one well-known Calcutta firm shows in its accounts all sales to its sole sub-agent in Calcutta. The sub-agent in his turn sells to other wholesale dealers before the liquor reaches the retail vendor who sells to the public. Again, sales by a Calcutta vendor direct to a mufassal customer will be shown as sales in Calcutta and the information will be misleading. It is difficult to see how accurate information can be obtained unless an elaborate system of accounts is insisted on. Such a system has been objected to in the past, and it has been held that the amount of harassment involved would be unjustifiable. Every effort will, however, be made to obtain as accurate figures as possible, and it will be reported in due course how far it is probable that reliance can be placed on them.

SUMMARY.

55. To recapitulate, alcohol is consumed in this Presidency in the form of country spirit, foreign liquor, *tari* and *pachwai*. The consumers of these four articles usually belong to different classes, but considerations of price and, occasionally, of fashion have favoured sometimes one form and sometimes another. An examination of the drink question is hampered by the fact that there are no certain means of ascertaining the actual consumption of alcohol in any district except in so far as it is consumed in the form of duty-paid country spirit.

56. Before the year 1890-91 the outstill system was in force throughout the Presidency, except in the neighbourhood of Calcutta and in two or three large towns. It has now been replaced by a fixed duty system. The first general advance in this direction was made in the year 1890-91, when the central distillery system was extended to the whole of the Burdwan, Presidency and Dacca Divisions. The chief effect of this system was to cause an increase in the retail price and a decrease in the licit consumption of country spirit. The demand for alcohol does not appear to have been checked, but it was diverted from country spirit to the other forms of alcohol which happened to be most in favour in any particular locality, and may have been partly diverted to drugs. Some portion of the demand was met by illicit distillation, and it was found to be so difficult to cope with this offence in the hilly portions of Bankura and Midnapore that the outstill system was reintroduced into parts of those districts in 1891-92. The tendency for prices to rise was greatest in rural areas, where this result was least needed, and in such areas consumption generally remained stationary or declined. In the towns the increase of prices was less marked, and in Calcutta and other industrial areas competition tended to keep prices down and the check to consumption was, as a rule, only temporary.

57. There was no change of system up to the year 1904-05. In 1905-06 the system of contract supply was introduced into the district of Midnapore and has since been gradually extended to the whole Presidency. Its main feature as affecting consumption in the rural areas of the Burdwan and Presidency Divisions was the fixation of maximum retail prices at rates which were usually lower than those which had previously prevailed, and the result was a large increase in the recorded consumption. Part of this increase may have been due to the use of licit in place of illicit liquor, but the extent to which the former article replaced the latter appears to have been over-estimated. Part, again, was probably due to the fact that some

As a rule consumption in rural areas is small and of low quality. There is no indication that prices are too low, even though they are lower than they were ten years ago. Certain areas, such as the district of Darjeeling and the Asansol subdivision of Burdwan, must, however, be regarded as exceptions and the consumption in them is large. In urban areas there is a tendency for consumption to increase, though here again the tendency is not universal. A further detailed examination of the consumption in the different urban and rural areas in the Presidency is needed before it can be said with certainty where special action is called for and before definite proposals can be made as to what form that action should take. The recent enhancement of duty is likely to check consumption to some extent in districts in which there has also been a considerable increase of licence-fees, such as Calcutta, Rangpur, Bogra and Darjeeling.

60. The consumption of *tari*, *pachrai* and foreign liquor was greatly stimulated by the increase in the price of country spirit which followed the introduction of the central distillery system. The consumption of foreign liquor has decreased to some extent since the enhancement of the tariff rate, but as this article is chiefly consumed by persons who do not drink country spirit, the statistics of imports do not afford very satisfactory information. The consumption of *tari* and *pachrai* on the other hand does not appear to have decreased, except perhaps temporarily in a few districts. It is, however, difficult under existing methods of taxation to check the consumption of fermented liquors by increasing the retail price. In some cases the rate of increase appears to have been less rapid since the consumption of country spirit increased; in other areas, such as the Asansol subdivision, consumption has increased more rapidly than ever, but in this particular instance it has been accompanied by a gradual decrease in the consumption of country spirit.

61. The proposals that the system of local excise advisory committees should be extended to all municipalities, and that the committees should be given power to

deal with all licences for the sale of intoxicants are generally unobjectionable. At the same time it is doubtful whether the committee system is likely in practice to be an improvement on the arrangements under which local opinion is already ascertained in small municipalities. The more representative of all shades of opinion the committees can be made the better, and as long as the committees are purely advisory it is immaterial whether the majority of the members happen to be officials or non-officials. The publication of rules prescribing that the committees should contain a non-official majority or laying down the precise circumstances under which their opinions might be disregarded is to be deprecated. Government must be, under existing circumstances, and as far as can be foreseen must continue to be, the only judge of, and solely responsible for, such matters as the number and location of shops. This is a matter in which the interests of large classes, which cannot be represented on the committees, are concerned, and it seems to be most necessary that Government should retain a free hand and should take no action which can be interpreted as an implied promise that it will, either now or at any future time, fetter itself in any way whatever. If any step is to be taken in the direction of separating the licensing and revenue functions, it would be better that it should take the form of relieving the Collector of the revenue function than of setting up a judicial tribunal or of handing the licensing function over to a body which would not be representative of all the interests involved. The existence in some districts of Additional Magistrates affords an opportunity of making an experiment in this direction.

62. Reduction of the number of country spirit shops has, generally speaking, been carried to the furthest possible limit in rural areas and seems in at least one district to have been excessive. There is, however, room for a further reduction in the number of *pachwai* shops in some districts, and this matter will be taken in hand, though progress will have to be gradual owing to the ease with which *pachwai* can be manufactured from materials which are in daily use by all. It may be possible to effect some small further reduction in the number of country spirit shops in towns, and this question will be dealt with at the same time as the general question of consumption in urban areas. In Calcutta further reduction in the number of shops is largely blocked by the difficulty of obtaining sites, by congestion in the existing shops, and by the practical certainty that the operations of the Improvement Trust will result in the abolition of a certain number of shops for which it may be impossible to find premises elsewhere. This site question is the cause of other difficulties. It might be solved if Government were to acquire sites and build shops, but this course cannot be recommended unless Government is forced to it, or unless there are indications that public opinion would favour it. At present there would probably be an outcry that the evil of State-owned premises was worse than the evils which it was sought to remedy by such a measure, and the advantages to be derived from a reduction in the number of shops and an improvement in their situation and arrangement are not so certain as to make it worth while to face an agitation.

63. The curtailment of hours is a matter which affects the habits of the moderate consumers, and it appears to be doubtful whether action in this direction can be justified unless it can be shown that there is a reasonable probability that it will minimize temptation to those who do not drink and discourage excess among those who do. If it were intended to effect a gradual reduction of facilities with the intention of eventually arriving at prohibition, it would undoubtedly be time for another step in that direction. But this is not, and has never been, the policy of Government. Some inconvenience may be caused by a curtailment of the hours of opening, but it appears that little real hardship will be involved if the hour of opening is fixed at 8 a.m. instead of at sunrise; and as the Government of India have expressed the opinion that further advance in this direction would be desirable, I would raise no objection to this. At the same time it is unlikely that this will satisfy the temperance reformers, and the same arguments are likely to be brought forward again to press for a further measure of curtailment. To curtail the closing hours would certainly increase illicit practices, which already exist and which are difficult to deal with, besides causing real hardship to moderate consumers. It seems to be inadvisable to attempt to insist upon earlier closing. There would be no harm in empowering Collectors to close shops when processions were passing if there were reason to believe that widespread drunkenness would take place in the absence of such a measure; but the need for general rules of this kind does not seem to have been established, and in many cases it would be most difficult to enforce them.

64. There appears to be no clear evidence that the auction system has been responsible for the increase in the consumption of intoxicants in this Presidency; on the other hand, there seems to be some ground for holding that the increase has in some places been due to a failure to enhance licence-fees to the extent which would have been brought about by a less restricted system of auction. In Calcutta the auction system has been restricted by the difficulty of obtaining sites and by the general recognition of one another's claim to particular shops by the local vendors, and in some of the neighbouring districts by the theory that if licence-fees were kept down to a level which would ensure a considerable profit to the vendors they would not attempt to push their sales. It appears to have been overlooked that the vendors' object is to make as much money as possible, and whilst in rural areas in which each shop has a monopoly over a considerable area and in which there is little chance of increasing the number of consumers, they will usually sell at as high a price as possible, in areas in which there is competition they will effect their object by extending their market and will take advantage of any opportunity of reducing their prices that is offered to them. In such areas an enhancement of licence-fees may not have much effect in the direction of increasing prices, but high licence-fees certainly have a salutary effect in keeping prices at a reasonably high level. Lower licence-fees will not render the vendors any less desirous of extending their market whilst they will increase their means of doing so by enabling them to reduce their prices. No other system appears to promise better results. The experience gained from the settlement of certain classes of licences at fixed fees does not throw any light on the probable results of an extension of such a system to licences for the sale of country spirit, as the conditions under which such licences are held in this Presidency are entirely dissimilar.

65. Action has been taken in accordance with the instructions contained in paragraphs 4 and 5 of the Government of India's letter, and as accurate statistics as possible will be furnished in accordance with the request contained in paragraph 6, though there is reason to fear that they will be of little value as a guide to the amount of foreign liquor actually consumed in each district.

66. Whilst there can be no doubt that Government can by its methods of administration do much to promote temperance by taking measures to ensure that intoxicants should not be too cheap, that shops should not be too numerous or conspicuous, and that excess should be discouraged, it must be recognized that there are limits to the effectiveness of Government orders in enforcing moderation. The failure to prevent the use of cocaine as an intoxicant, notwithstanding its complete prohibition and the strenuous efforts of the preventive staff, is a well-known example. And the facts that the materials for the manufacture of cocaine are not available in this country, and that arrangements are made for the supply of certain other intoxicating drugs are circumstances which favour the effective enforcement of the orders of prohibition. It is unnecessary with this example so near at hand to refer at length to the unsatisfactory results of prohibition in Norway and Sweden as a measure for checking drunkenness. The Bengal Excise Commission, which sat 30 years ago, laid stress upon the effect of social, moral and religious changes in relaxing the restrictions which had at a former period kept large classes from indulging in spirituous liquors. Those changes are not less apparent now than they were in 1883-84, and it is probably to them that the disproportionately large consumption of country spirit in urban areas is mainly due. In rural areas, in which the influences are more conservative, the increase in the consumption of country spirit has been very small, if indeed consumption has increased at all. In the industrial centres the presence of large numbers of up-country immigrants, men who have come without their families and who earn good wages, is a disturbing element which makes for a still larger consumption. But the comparatively large consumption in the towns appears to be largely the result of social, moral and religious changes in the direction of relaxation from restrictions. The problem appears to be largely one of social reform, and it is hardly to be expected that any course of action open to Government can have much effect unless steps are taken to combat the drink evil by social reformers, who will create a strong body of public opinion in favour of moderation among the classes who drink. Real reform must come from the people. Nothing that Government can do will make a drunkard sober whilst there is some danger that an attempt by Government to do so would result in depriving moderate consumers of a necessary stimulant or of driving them to the use of more deleterious intoxicants.

Enclosure 14.

Letter from the Honourable Mr. W. J. Keith, I.C.S., Officiating Revenue Secretary to the Government of Burma, to the Secretary to the Government of India, Department of Commerce and Industry, No. 522M.—8E.-15, dated Maymyo, the 30th October, 1913.

I am now directed to reply to your letter No. 477—490—21 of the 24th January, 1913, regarding the criticisms of the Excise administration of India by a Deputation which waited upon the Right Honourable the Secretary of State for India in July, 1912. The Government of India invite an expression of the Lieutenant-Governor's opinion on the special aspects of the drink question in this Province, and ask to be furnished with statistics in the forms attached to your letter showing the consumption of and taxation realized on excisable articles of different descriptions in Burma during each of the years 1905-06 to 1911-12.

They further enquire—

- (a) to what extent this Government would be prepared to give effect to the recommendations of the Deputation in regard to the enlargement of the powers of local advisory committees and the modification of their constitution;
- (b) what further reductions, if any, are possible in the number of licensed shops; and
- (c) what further progress is possible in curtailing the hours of sale.

The Government of India also ask for any observations which the Lieutenant-Governor may have to offer in regard to the working of the auction system of disposing of licences in this Province, and they suggest—

- (i) that instructions should again be issued to local Excise Officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles laid down in paragraph 6 of Finance Department Resolution No. 5086-Excise of the 15th August, 1907; and
- (ii) that statistics showing the wholesale and retail vend of foreign liquors such as those contained in Provincial Statements A and B of the Punjab Excise Administration Report of the year 1911-12 may be furnished in future in the Excise Report of this Province.

2. The Lieutenant-Governor considered it advisable to consult all Deputy Commissioners and superior Revenue Officers on the suggestions of the Deputation, and I am to enclose copies of their replies for the information of the Government of India. The desired statistics have been prepared by the Commissioner of Excise, Burma, who comments on the figures in paragraphs 2 and 3 of his letter (Annexure 2). In view of the important changes in Excise administration which have taken place during the period to which they relate and of the fact that the Excise problems in Burma differ considerably from those of other provinces in India, which alone were referred to by the Deputation, the figures shown in the statements require some explanation before any proper conclusion can be drawn from them. In giving this explanation it will be convenient to deal with each statement separately.

(1) STATEMENT A.—*Country Spirit; Outstill and Distillery Systems.*—The Commissioner of Excise, in paragraph 2 of his letter (Annexure 2) describes the method followed in arriving at the area and population served by the outstill and distillery systems respectively. It may be said at once that these figures are of very little value and that any deductions based on them must be received with the greatest caution. The only figures in this statement of any value are those showing the revenue derived from the two systems. The revenue derived from the outstill system in 1912-13 was but little more than a third of that derived in the year 1905-06, the revenue from the distillery system has increased nearly tenfold within the same period, and the combined revenue from the two systems in the latter year was $2\frac{1}{4}$ times as large as in the former year. Taken by themselves these figures would appear fully to justify all the charges brought by the Deputation. They are, however, the natural outcome of (a) the gradual substitution for outstills of country spirit shops under the Contract Distillery system, with effect from the 1st November, 1906, and of (b) the further experiment described in my letter No. 1161M.—8E.-8 of the 17th June, 1913, of substituting country spirit manufactured under the contract distillery system for country beer in some of the larger town areas in the Province. Statement B shows that the effect of this policy has

been a considerable rise in the incidence of the total revenue derived from country distillery spirit per proof gallon, and that, too, in spite of the fact that it has recently been found necessary to reduce the rate of still-head duty in certain parts of the Tenasserim Division to enable the local officers to make headway in the suppression of illicit manufacture. A part of the increase in revenue is due to the substitution of shops for the sale of country spirit manufactured in contract distilleries for shops for the sale of imported liquors.

(2) STATEMENT B.—*Country Spirit; Distillery System.*—The explanation given in respect of Statement A serves to explain the large increase in the consumption of country spirit between 1905-06 and 1912-13. The figures showing the consumption of such spirit per 100 of population in distillery areas are of no value in view of the uncertainty regarding the extent and the population of such areas.

(3) STATEMENT C.—*Country Spirit Shops, Outstill and Distillery Systems.*—The statistics showing the number of shops per 100,000 of population and the number of square miles per retail shop are of little value for the reasons already given in discussing Statement A. The statistics of shops in the years 1905-06 and 1906-07 differ somewhat from those shown in Form III. of the Provincial Reports on the Administration of the Excise Department for these years. Statement C shows that there were only three such shops in the distillery areas in 1905-06, whereas column 10, Form III. of the Report, shows 58; the latter total, however, includes shops licensed to sell Burma distillery spirits excised at the tariff rate. In regard to the figures for 1906-07, the statement shows the number of shops for the sale of outstill liquor open at the close of the year after the introduction of the Contract Distillery system, whereas the Excise Report shows the number licensed at the beginning of the year. The increase of 22 over the previous year's total in the number of shops in 1906-07, from 78 to 100, was due to the introduction of the Contract Distillery system towards the end of 1906. Several new shops were opened in the Thaton and Mergui Districts with a view to supply the demand met by illicit distillation which, in the former district at least, had been carried on for many years on a very large scale. Between 1906-07 and 1911-12 the extension of the Contract Distillery system made very little change in the total number of shops, that total in the latter year being only five in excess of the total of the former year. In 1912-13 their number was raised by 24 to 93 in pursuance of the experiment already referred to of substituting country spirit manufactured under the Contract Distillery system for country beer in some of the larger town areas.

(4) STATEMENTS A. B AND C.—The general conclusion to be drawn from [redacted] statistics regarding country spirit is that during the period covered by the [redacted] considerable advance has been made in the substitution of the Contract Distillery for the outstill system. The increased number of shops for the sale of country spirit and the increased revenue derived therefrom are attributable to a variety of causes which may be summarised as improved administration. There is not the slightest reason to believe that the change has resulted in an increased consumption of spirit, but it is hoped and believed that some success has been achieved thereby in substituting a dearer supply from licensed sources for a cheaper supply from illicit outstills. It must be borne in mind that for many years an attempt was made in this Province to substitute country fermented liquors for country spirit in areas originally supplied with outstill liquor and that in furtherance of this policy all outstills were suppressed over the greater part of Lower Burma, save in areas where illicit distillation was exceptionally common and where the attempt to substitute country fermented liquors was a failure. It is now generally recognised that this policy has not been altogether successful and that despite the suppression of outstill licences the demand for country spirits has continued to be supplied illicitly and probably to some extent through the medium of the country fermented liquor shops. The preference for country fermented liquor, as being a less harmful intoxicant than country spirit, has been shown to have little foundation in fact; and the substitution of country spirit, manufactured in a Contract Distillery and paying revenue mainly in the form of a duty on each gallon consumed, for country fermented liquor, frequently adulterated or fortified with illicitly distilled country spirit, paying revenue wholly in the shape of licence fees, appears to be a change which the Deputation to the Secretary of State would welcome rather than deprecate.

(5) STATEMENT D.—*Wholesale and Retail Licence Fees for the Sale of Foreign Liquors.*—The figures in this statement include not only the licence fees for imported

spirits and beer but also licence fees for the sale of locally produced spirit excised at the tariff rate. They do not, however, include the licence fees for locally brewed beer; if these be included the figures shown in the table must be substituted for those in Statement D. They show considerable variations from year to year, but these variations are due in the main to fluctuations in the prices realised at the auctions and not to an increase in the number of licences. The number of ordinary shop licences for the sale of imported liquors, including distillery spirit manufactured in Burma, was reduced from 245 in 1904-05 to 130 in 1905-06; and, as explained in paragraph 3 of the Excise Commissioner's letter (Annexure 2), the number of ordinary licences for the sale of such liquors and for fermented malt liquor manufactured in Burma fell from 219 in 1905-06 to 212 in 1912-13. The conclusion to be drawn from Statement D therefore is that in the period under review the revenue from licence fees derived from shops for the sale of foreign liquors of all kinds and the numbers of such shop licences have remained more or less stationary.

	Rs.		—		Rs.	
1905-06	11.69		1909-10	... ...	12.27
1906-07	10.27		1910-11	... ...	9.93
1907-08	12.06		1911-12	... ...	11.56
1908-09	11.97		1912-13	... ...	10.21

(6) STATEMENT E.—*Shops for the Retail Sale of Foreign Liquors, including Special Licences, in Hotels, &c.*—The variations of the figures in this statement are explained in paragraph 3 of the Excise Commissioner's letter (Annexure 2). Thus explained, the statement shows that there has been a tendency to decrease rather than increase in the number of licences issued for ordinary shops, the variations from year to year being caused in the main by fluctuations in the number of licences for public or private entertainments. The Excise Commissioner suggests that the number of such special licences might be largely restricted; this suggestion will be considered further below.

(7) STATEMENT F.—*Consumption of Potable Spirits manufactured in Burma after European Methods and taxed at Rates higher than Country Spirit.*—This statement shows the number of London proof gallons of potable spirits manufactured in Burma after European methods and excised at the full tariff rate of duty. The figures for the past three years show a very large decrease which is probably explained by the fact that the local distillers find it more profitable to devote their attention to the outturn of country spirits under the Contract Distillery system, and have in large measure abandoned the struggle to compete with the cheaper and milder imported liquor.

Indi: (8) STATEMENT G.—*Duty realised from Potable Spirits manufactured in Burma after European Methods and taxed at Rates higher than Country Spirit.*—The figures in this statement show the duty realised at the tariff rate on the quantity of spirits shown in Statement F. The fact that the fall in the amount of duty realised between the years 1905-06 and 1912-13 is proportionately less than the fall in the consumption is due to the gradual increase during the same period in the rate of duty from Rs. 6 to Rs. 9.6-0 per London proof gallon.

(9) STATEMENT H.—*Production of Beer in the Breweries in Burma.*—The figures given in this statement are taken from the Annual Return of Breweries and not from the Reports on the Provincial Excise Administration. The consumption of beer varies with the demand from the British regiments stationed in the Province. In paragraph 23 of the Excise Administration Report for the year 1912-13 the Excise Commissioner remarks: "Compared with the enormous increase of 308,900 gallons of imported ales the increase of 6,615 gallons only of the Mandalay-brewed beer is trivial. It is remarkable that this beer has failed to achieve a larger share of success with a population whose taste inclines to beer and ale more and more each year." There is only one brewery in the Province and the failure of its products to win popular favour renders it probable that the number will not be increased.

(10) STATEMENT I.—*Duty realised on Country Beer.*—This statement is blank. Country fermented liquors pay no duty in Burma. No practicable method of raising revenue from them in this form has been devised, and all receipts from this source come as hitherto from licence fees for the retail sale.

(11) STATEMENT J.—*Revenue realised from Tari and the Number of Retail Shops.*—Despite a decrease of nearly 30 per cent. in the number of shops for the

retail sale of *tari* during the period under review, the revenue shows a generally upward tendency. The receipts are wholly derived from licences for the retail sale, the introduction of a tree tax being deemed impracticable in the circumstances of the country. The policy of eliminating superfluous shops has been kept steadily in view during the past few years and the increase in the revenue must be ascribed in the main to the increased prosperity of the people.

(12) STATEMENTS K, M AND O, dealing with hemp drugs, are blank for Burma.

STATEMENTS L, N AND P, *dealing with the Consumption of Opium and its Preparations*.—The figures in these statements show for the period under review a small decrease in the number of shops; a very large decrease, from 75,000 to 45,000 seers, in the consumption and a decrease of over 7 lakhs, comparing the first year with the last, in the total revenue derived therefrom. The opium policy of Burma is a thing apart. Opium is sold under the eye of a Government officer, and a strict account is kept of the quantity sold to each purchaser, that quantity being limited to the quantity which is believed to be sufficient for his personal consumption so as to eliminate the possibilities of hawking. The incidence of the total revenue derived from each seer of opium and its preparations has risen from Rs. 62 in 1905-06 to Rs. 86 in 1912-13 when the prices were raised by a fourth. The opium policy of Burma is one to which none of the criticisms of the Deputation can be held to apply. The great bulk of the revenue is derived from duty on the quantity actually consumed; licence fees are fixed and the licences to sell are given to selected licensees and not disposed of by auction. The steady reduction during the past eight years in consumption would be a matter for congratulation were it certain that the place of opium sold in the licensed shops has not been taken by illicit opium or other more noxious drugs such as cocaine.

3. The Deputation of 1912 asked the Secretary of State to consider the question of the development of the drinking habit in India and the steps which could be taken to check it. The drink question cannot, however, be considered by itself so far as Burma is concerned. The control of the drug habit is at least as important as the control of the drink habit and a policy aimed at the suppression of the latter must include precautions to prevent a stimulus being given thereby to the former. The precautions adopted in this Province to check the spread of the opium habit have, on paper at least, achieved a very large measure of success. How far this success has been achieved at the expense of driving otherwise would-be opium consumers to drink or to the use of pernicious drugs such as cocaine can only be guessed at. Moreover in spite of the unremitting vigilance and energy of a large Excise establishment it must be recognised that the extent of opium smuggling remains an unknown quantity and that much of the demand formerly supplied by opium bought by authorised purchasers from the Government shops and by them retailed to unauthorised consumers may still be met by opium smuggled from other Provinces of India. The experience gained from the restrictive policy towards opium makes it doubtful whether any action taken by Government to regulate the taste of the people for intoxicants is not productive of more harm than good. As regards the drink question the views of the Deputation are based on the assumptions stated by Mr. Leif Jones, M.P., on page 10 of the enclosure to the Secretary of State's Despatch, No. 85, of the 6th September, 1912, that India is a temperance country and that the drink evil is an imported evil—a part of the price paid for coming into contact with our western system. In paragraph 4 of his letter (*Annexure 1*) the Financial Commissioner points out that this assumption is not correct so far as Burma is concerned. The fact that the Burmese civil and religious authorities before the period of British rule forbade the use of intoxicants does not indicate that they were unknown and that it was desired to prevent their introduction, but that their use was then common enough to constitute an abuse calling for interference. Contact with western civilisation and the opportunities thereby afforded for obtaining drink manufactured after western methods are responsible for creating the demand for such drinks but not for creating the demand for drink itself. It is possible that the fashion prevailing among Burmans of preferring imported articles to those produced locally is an incentive to increased drinking among those who would otherwise content themselves with a moderate quantity of country liquor and for this reason it is desirable as much as possible to restrict the facilities for obtaining imported liquor. The remarks regarding Statements D and E in paragraph 2 above show that this policy has been adhered to during the period under review. As regards country liquors, whether manufactured by Native or European methods, the present policy is to provide shops for the sale of the kind

locally in demand but to restrict their number as much as possible in order to reduce temptation to drink. An exception to this policy has been made in the case of *tari* in Upper Burma. The number of licensed shops there is quite inadequate to meet the requirements of the inhabitants of the *tari*-palm-growing tracts, but it has been deemed advisable to allow consumption to continue in these tracts unregulated rather than to license the necessary number of shops. As regards country spirit the present policy aims at the gradual substitution of shops under the Contract Distillery system for outstills. Illicit distillation is rife in many parts of the country and if it is to be checked some increase in the number of licensed shops will be necessary, for a time at least. The experiment of substituting country spirit shops under the contract distillery system for country beer shops, referred to above, has been justified in detail in my letter No. 1161M.—8E.-8 of the 17th June, 1913.

4. I am now to consider the recommendations of the Deputation of July, 1912, in regard to the enlargement of the powers of Local Advisory Committees and the modification of their constitution. These recommendations are contained in paragraphs 15, 18, and 21, of the statement submitted by Sir Herbert Roberts on behalf of the Deputation, which is printed on pages 14-23 of the enclosure to the Secretary of State's Despatch. In paragraph 15 the Deputation, with a view to making Local Advisory Committees a more efficient instrument for expressing the views of those who are concerned in the issue of licences, urge :—

- (1) that the appointment of the committees should be extended, as soon as practicable, to the whole of India;
- (2) that the committees should be made more representative of local opinion;
- (3) that they should in every case contain a majority of non-officials, appointed independently of the Excise Department;
- (4) that they should be empowered to deal with all licences for the sale of intoxicants;
- (5) that their meetings should be held more frequently than at present;
- (6) that their recommendations should only be disregarded when there are substantial reasons for exercising an official veto.

In paragraph 18 they recommend (7) that the licensing function should be removed, as soon as practicable, from the control of the Revenue Department, and suggest that the experiment should be tried in certain districts of conferring it upon the Local Advisory Committees, subject to such reservations as may be found necessary.

(1) The first of these recommendations, that the appointment of the committees should be extended as soon as practicable to the whole of India, is favoured by some and opposed by others of the officers consulted. The Excise Commissioner reports that there is no demand for any extension of such committees and he does not think that there is any need for change, though he sees no great objection to the application of the system to all Municipalities in the Province; if it be extended, he agrees with the Commissioner, Mandalay Division, that the Municipality itself might be made the Advisory Committee. The Financial Commissioner, while not sanguine that any great benefit will result from the extension, is willing to support the proposal in the hope that in the process of time the committees will be able to help the executive more than they have in times past. He is, however, exceedingly dubious of the advisability of establishing Advisory Committees in rural tracts; in this view the Lieutenant-Governor concurs. The opinions of the inhabitants of rural tracts, and more especially of the inhabitants of the village in which it is proposed to establish a new shop, should continue to be consulted as at present, and no new shop should be opened in the face of any strong opposition from them unless it is conclusively shown that such opposition springs from interested motives and has been engineered by persons engaged in illicit manufacture of liquor. As regards Municipalities and Notified Areas entrusted with certain powers of local self-government under the Municipal Act, Sir George Shaw considers that the system of Local Advisory Committees may be extended to all. There are 45 Municipalities and 15 Notified Areas in Burma Proper, and the Lieutenant-Governor's proposal therefore involves an increase in the number of Local Advisory Committees from 10 to 60.

(2) and (3) The second and third recommendations of the Deputation are that the Committees should be made more representative of local opinion and that they should in every case contain a majority of non-officials appointed independently of the Excise Department. Here again, the views of the officers consulted are divided. The Excise Commissioner agrees with the Commissioner of the Mandalay Division

that the Municipal Committee itself might be made the Advisory Committee. The detailed recommendations of the Commissioner on the subject are set forth in paragraph 10 to his letter (Enclosure 27). Sir George Shaw is disposed to accept this suggestion. It is true that under the existing orders (Excise Rule 67) Municipal Committees are invited to express their views regarding proposals to establish new shops, but they are not empowered like the Special Excise Committees to frame proposals regarding the minimum and maximum scales of shops to be allowed nor do they submit annual recommendations regarding the location of shops. The non-official members of the Municipal Committee, in theory at least, represent local opinion; and when there is at hand a duly-constituted body representing local opinion and carrying on local self-government, it seems unnecessary to constitute another representative body for the purpose of the Excise Act. In the case of large Municipal Committees, a special Sub-Committee would naturally be appointed to deal with the question of Excise licences and to submit its recommendations to the whole Committee. Many Municipal Committees and Town Committees do not contain a majority of non-officials and in such a case the third recommendation of the Deputation would not be given effect to. This, however, is a defect which will gradually be cured in time as the constitution of the committees widens.

(4) The fourth recommendation of the Deputation, that the Advisory Committees should be empowered to deal with all licences for the sale of intoxicants, is somewhat ambiguous. If it means merely that the views of the committees should be sought in the case of all licences for the sale of intoxicants, it calls for no remarks in view of the fact that the existing rule imposes no restriction in the matter in regard to licences issued under the Excise Act. If it means more than this, it appears to be covered by the suggestion made in paragraph 18 of the memorandum which is dealt with below.

(5) The fifth recommendation of the Deputation, that the meetings of the Advisory Committees should be held more frequently than at present, does not appear to call for any action so far as Burma is concerned. Under Excise Rule 69 the existing committees are required to meet annually for the examination of existing and proposed shops. Shop licences are ordinarily issued for a period of twelve months, and so far as they are concerned an annual meeting of the Advisory Committee is sufficient. It seems hardly necessary to refer to them all applications for temporary licences for entertainments and the like. The advisability of the grant of such licences in specific cases can always be discussed at the annual meeting and the views of the Committee placed on record for the future guidance of the Collector. If, however, the duties of Advisory Committees are made over to Municipal and Town Committees, the ordinary meetings of those Committees are sufficiently frequent to satisfy all possible requirements.

(6) The sixth recommendation is that the advice of the Committees should only be disregarded when there are substantial reasons for exercising an official veto. This, it is believed, is the present practice, and the Lieutenant-Governor concurs that it may suitably be continued. In any case all alterations in the existing arrangements for the retail of liquor require the approval of the Commissioner and the Excise Commissioner and are not left to the Collector.

(7) The last proposal of the Deputation, that the licensing function should be removed as soon as practicable from the control of the Revenue Department and experimentally conferred upon the Advisory Committees in certain districts, is based on the assumption that Government officials are under constant temptation to obtain as much revenue as possible from the sale of liquor. The officers consulted are practically unanimous in protesting against this assumption. In Burma, with the exception of the Collector, Rangoon, the Collector of each district is also the District Magistrate and he is much more interested in the suppression of crime than in the enhancement of Excise revenue. The Excise Commissioner suggests that in Rangoon, where the Collector is not the District Magistrate and where he takes a very active part in directing Excise affairs, the licensing function should be vested in the District Magistrate. The Financial Commissioner concurs with the Excise Commissioner, that it would be quite impracticable to hand over the licensing function to the Advisory Committees, and the latter officer also condemns the alternative suggestion to make Sessions Judges the licensing authorities. The Lieutenant-Governor is of opinion that in the existing state of education and public opinion in this Province the Government cannot abdicate its powers of controlling and regulating the grant of licences in favour of Advisory Committees and that under the present rule all reasonable weight is given to their opinions.

5. In paragraph 16 of their statement the Deputation express the view that, without a considerable further reduction in the number of liquor shops and the carrying out of the other reforms which they advocate, no effective diminution in the consumption of liquor can be reasonably expected and in paragraph 21 they make the specific recommendation that the licences for the sale of intoxicants should be steadily reduced in number. The officers consulted by the Lieutenant-Governor are practically unanimous in declaring that with one or two unimportant exceptions no further reduction in the number of existing licences is possible. One Deputy Commissioner points out that the undeveloped condition of Burma makes it impossible to apply recommendations intended for a fully-developed province. The Commissioner of Excise considers that as the province develops moderate increases in the number of shops are more probable than decreases. If a reduction is considered desirable, he suggests (paragraph 3 of Enclosure 2) the abolition of licences for inland steamers and of licences for entertainments. The Financial Commissioner considers that the discontinuance of these licences would have absolutely no appreciable effect in reducing the drink habit and he does not consider it possible to suggest any systematic withdrawal of licences or any restriction on consumption in any particular locality of the Province. The Deputy Commissioner, Insein (Mr. G. F. Arnold, C.I.E.) [Enclosure 9] concurs in the view of the Deputation that the existence of shops is an incentive to drink and would be prepared to abolish about half the existing shops in his district. He considers it preferable that there should be a few breakers of law on account of the absence of shops rather than that the community as a whole should be drawn to liquor-drinking by their presence. This view is similar to that expressed by Sir Herbert White in this department letter No. 441—2E.-2 of the 28th June, 1909. Sir George Shaw considers that, while the desirability of a reduction in the number of shops should be kept in view and any proposals for additional shops accepted only after the most careful enquiries have established their necessity, no definite assurance of a reduction can be given. Reduction may be possible in some localities, but in others and especially in the areas where the distillation of illicit country spirit is rife some increase is essential if the liquor traffic is to be regulated at all.

6. In paragraph 21 of their statement the Deputation suggest that the hours of sale should be further limited by later opening and earlier closing hours being fixed for all licensed premises. The Excise Commissioner does not recommend any change and the Financial Commissioner, while remarking that the shops are usually empty in the morning, accepts this view. The Deputy Commissioner, Pegu, points out that in a country like Burma the habits of the people are nocturnal during the hot weather and during the light half of the moon. A few officers consider that shops need not be opened so early, as drinking in the morning has nothing to commend it. Some recommend that all shops should be closed at sunset or shortly after sunset so that consumers who are ashamed to be seen frequenting liquor shops by day and are afraid of illicit practices may be weaned from the liquor habit altogether by the impossibility of obtaining a supply from a licensed source after dark. The Lieutenant-Governor considers that in the case of Municipal and other towns with some measure of local self-government the hours of opening and closing might be fixed by the Municipal Committee within the limits at present authorised and that in rural areas all shops should be closed by sunset. As regards the hours of opening it seems probable that very few sales are made in the morning, but, as it is doubtless necessary in any case to open the shops at that time in order to have them cleaned and made ready for the business of the day, there does not seem to be much object in directing that no sales shall be made till an hour subsequent to the actual hour of opening.

7. In paragraphs 17 and 21 of their memorandum the Deputation again press for the abolition of the auction system for the disposal of liquor licences and suggest in its stead a system of fixed licence-fees as recommended by the Excise Committee of 1905-06. The Excise Commissioner reports that a system of fixed fees is practicable and advisable in the case of country shops under the contract distillery system but not in the case of other shops. This view is shared by several other officers. In the Mandalay Division the Commissioner and four out of its five Deputy Commissioners are in favour of the universal introduction of the fixed fee system, but the majority of other officers consider that the auction system with all its drawbacks is the one open to the fewest objections; in this view the Lieutenant-Governor concurs. The subject was discussed at length by the Government of India in their Finance Department Resolution No. 2997-Exc. of the

16th May, 1907, where they came to the conclusion that the best method for the disposal of the right of retail vend of country liquor is an auction system worked on the lines described in paragraphs 5 and 6 of the Resolution with power to Local Governments to fix a term of three years instead of one year for the currency of the licences. The greatest of the many objections to the fixed fee system is the danger of the growth of vested interests. To meet this danger officers are driven to adopt impracticable expedients, such as that of the Deputy Commissioner, Rangoon, that a rule could be made that the same person should not be given a licence for more than three years in his lifetime. Such a rule would, of course, deprive persons who have engaged all their life in the liquor trade of their means of livelihood. There is no objection to the same licensee obtaining the same licence time and again; the object of the auction system is not to prevent this, but to ensure the payment by him to the Government of the full value of the licence. In this connection I am to quote, with approval, the following observations of the Deputy Commissioner, Rangoon, reproduced in the letter from the Commissioner of the Irrawaddy Division:

"I think the evils of the auction system are greatly exaggerated. It is suggested that a man who has paid for a shop a price which leaves him very little profit has a stronger motive for putting the sale of liquor than one who is able to make a larger profit without any special exertion. It is not suggested in what way he can put the sale. I do not know of any legitimate means except advertising, which is not controlled to and would promptly be stopped if it were. As to illegitimate means, such as sending out liquor to be hawked about the neighbourhood, larger profits would certainly not check such practices if they are not re-trained by the watchfulness of the Excise and Police Officers. The fixed fee system hardly any check on malpractices unless the holder of the licence is given to understand that he is likely to enjoy it during his good behaviour, and this has the disadvantage of creating vested interests. Moreover the system is impracticable when applied to liquor manufactured on the spot, owing to the impossibility of ascertaining the profits. There is no great objection to it being applied to country spirit, and this is already being done. It could also be applied to foreign liquor, but I doubt if it would be worth while. If Burmans are to be prevented from taking the drink, such a system as that already enforced for opium must be introduced."

Sir George Shaw considers that the auction system should continue to be the ordinary method of disposing of licences for retail sale. It might be advisable, while auctioning the right of retail sale for a year, to empower the Collector to offer to a licensee the renewal of his licence for a further period of two years at the same fee in cases where this fee is held to represent the value of the licence. In paragraph 13 of their Finance Department Resolution No. 2997-Exc. of the 16th May, 1907, the Government of India refer to certain proposals for the acquisition by the Government in Rangoon of sites for country liquor shops. The state of the provincial finances makes it impossible to hope that this Government will be able within any reasonable period to acquire liquor shop sites to any appreciable extent, but it might be possible, in order to obviate the trouble imposed on a new licensee of obtaining suitable premises for his shop, for Government to take a long lease of such premises and to require the licensee, as a condition of his licence, to occupy them as the sub-tenant of Government, paying the rent reserved in the lease.

8. The Government of India's request made in paragraph 4 of your letter under reply that instructions should again be issued to local Excise Officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles laid down in paragraph 6 of Finance Department Resolution No. 5086-Exc. of the 15th August, 1907, has been noted and the Financial Commissioner has been requested to draw the attention of Collectors to Rule 75 of the Rules under the Excise Act which reproduces these principles.

9. The great majority of the officers consulted agree in deprecating the suggestion that statistics showing the wholesale and retail vend and consumption of foreign liquors, such as those contained in Provincial Statements A and B of the Excise Administration Report of the Punjab for the year 1910-11 should be furnished for this Province. The Excise Commissioner points out that as the licensees of foreign liquor shops in Burma are usually either Chinese or Madrassis, keeping accounts, if any, in their own languages, great difficulty would be experienced in checking them by the agency of the present Excise staff. This difficulty might perhaps be got over by making it a condition of the licences that the accounts

should be kept either in Burmese or in English, but Sir George Shaw is disposed to think that no substantial advantage would be derived from such accounts. It has been pointed out by more than one officer, that in view of the geographical isolation of Burma from India the Customs figures of Import show the total quantity of imported liquors consumed in the Province, and this information appears to be sufficient.

10. The specific points referred for the views of the Local Government have been dealt with in the foregoing paragraphs and I am to conclude this letter with the following general remarks. Sir George Shaw is disposed to consider that the cause of temperance in India will best be forwarded not by any action on the part of Government but by the action of its advocates among the people themselves. The temperance cause in England has prospered entirely through the private efforts made to enlist the sympathies of the people on the side of temperance. In this connection I am to invite a reference to the remarks by the Commissioner, Irrawaddy Division, in paragraph 13 of his letter. Until the leaders of Indian opinion follow the example of temperance reformers in England and conduct campaigns for the spread of their principles, it is idle to hope that any lasting good can come from official action. In Burma propaganda against the eating of meat and the slaughtering of kine have been conducted with great success by some of the leaders among the Buddhist monks, and there is no reason why the cause of temperance should not be advanced by similar means. It is the tendency of natives of India and of Burma to look to the Government to do everything and to blame the Government for everything of which they do not approve: in accepting the view that official action is needed for the accomplishment of reform the English members of the Deputation appear to have overlooked the almost entire absence of any attempt at self-help on the part of their Indian colleagues. Temperance principles have been advanced in England not by closing shops for the sale of liquor but by inculcating on the people the advantages of temperance. If, as is maintained by the Deputation, India is a temperance country and the disposition of the people is in favour of temperance, there should be infinitely less difficulty in propagating temperance principles than was experienced in the less favourable soil of the British Isles.

Annexure No. 1.

Letter from C. R. P. Cooper, Esq., I.C.S., Assistant Secretary to the Financial Commissioner, Burma, to the Revenue Secretary to the Government of Burma, —No. 344—2E.-35, dated the 13th August, 1913.

In reply to your letter No. 201—8E.-15, dated the 14th of February, 1913, I am directed to submit a copy of letter No. 106—2E.-68, dated the 7th of July, 1913, from the Excise Commissioner forwarding the statistics required by the Government of India in their letter dated the 24th of January, 1913, and also copies of the enclosures to the Excise Commissioner's letter.

2. With regard to the statistics, the Excise Commissioner has pointed out in paragraph 2 of his letter the difficulties connected with their compilation for this province. It is to be noticed that in Statement A the areas under the outstill system and the areas under the distillery system have been arrived at by including the areas of any township in which a shop or shops under the respective systems existed. The total excise area has, however, been regarded as the total area of the province, excluding the Shan States and certain remote hill-tracts. In the statistics of population, the figures for 1910-11 were taken from the new census tables, and the sudden large increase is thus only apparent, not real. It was impossible to distribute a gradual increase over a number of years. The decrease in total revenue in 1906-07 was due to the fact that the contract distillery system was beginning to make itself felt in Tenasserim Division, and that there was much uncertainty regarding the period for which some of the outstill shops would be continued. In Statement B it has been assumed that only figures for areas served by central distilleries are required.

3. Major Stone has made a careful *résumé* of the opinions of the officers consulted and has also submitted his own opinion thereon on the various points raised. As the conditions existing in Burma differ so essentially from those obtaining in the rest of India, and as special attention has been invited in paragraph 2 of Mr. Enthoven's letter to an expression of opinion on the special aspects of the drink question in each province, Mr. Eales thinks that it would be as well to consider carefully the full value of the outstanding facts alluded to by Sir Herbert Roberts,

M.P., in his speech when introducing the deputation to the Honourable the Secretary of State for India on the 18th of July, 1912. The Honourable Member stated that 39 years ago the revenue stood at 1½ millions, whereas it is estimated to be close upon 8 millions now. Mr. Eales is unable to give any opinion as to the cause of this seemingly extraordinary expansion in India, but with regard to Burma he would venture to submit the following remarks which will to a great extent explain how the increase has been brought about in this province. The Exchequer Commissioner notes that the members of the deputation in their speeches generally confined themselves to the condition of the drink question in India, but as the return of India are swollen by the revenue obtained from Burma, the causes which led to the increase in Burma are relevant to the consideration of this question, especially as they may to a certain extent indicate the cause of the expansion in India.

4. The population of Burma taken at the census of 1872 was 2,747,142. Thirty-nine years afterwards the population of Burma had risen to 10,610,255. This extraordinary increase has been brought about, firstly, by the emigration of Upper Burma, and secondly, by the abnormal growth of the population owing to the influx of large numbers of natives of India, China and other nationalities. Apart from the increase of population, the value of the figures is considerably affected by the following factors: In the last 39 years not only has the population quadrupled, but the increase in wealth has far exceeded even this great increase in population. The standard of living has risen very greatly. The cost of agricultural labour has doubled within the last 39 years, and this means that the return to the labourer as calculated in rupees is probably at least twice as great as it was 30 years ago. Moreover, it must be remembered that in 1877 the value of the rupee, as measured in commodities, was about 70 per cent. greater than it is at present. Thus, though the figures would show an increase of revenue from 1½ millions to nearly 8 millions, the real rise would have been probably not much more than 5 millions had the value of the rupee been stationary. Viewed in the light of these facts, the outstanding features alluded to by the Honourable Member are not so striking as they would at first seem to be. But there is another factor which must be considered in Burma at least. During this period of 35 years an immense change has taken place in the administration of the Excise revenue. It is generally admitted that India is a very backward country and that parts of it have but recently emerged from the neolithic period. Burma was generally supposed to be one of the most backward provinces of the Indian Empire, and in the seventies the Excise Administration was comparatively in its infancy. Even if the population had not increased at the abnormal rate above noted, and had there been no abnormal increase in wealth and prosperity, yet the introduction of the more systematic administration would have meant an extension of the Excise revenue and an increase in the number of shops which the expansion and regularization of the administration would have rendered necessary. Mr. Eales has been himself 34 years in the province and during that time he has served chiefly on the executive branch of the administration, and at no time has there been any such tendency to increase the sale of excisable liquor merely for the purpose of increasing the revenue. It is hardly necessary, he thinks, to go further into this matter, because anyone acquainted with the facts would be willing to admit that there is no truth in any such charge. The refusal of Government itself at the time of the annexation to allow the sale of liquor to Upper Burmans would completely refute any such imputation. The Excise Commissioner has dilated to some extent on the difference of conditions obtaining in Burma from those obtaining in India, and Mr. Eales has nothing further to add to what Major Stone has written on this point. But he would like to emphasize the remark made by Mr. Carey, Commissioner of Sagaing, that it is untrue to say that "the use of alcohol was not freely practised" before we annexed the country. It is true that there is a very strong feeling amongst the best of the Buddhists against the use of alcoholic liquor, and there is the same feeling in England; yet the prevalence of drunkenness in England among the lower orders has long resisted the influence of the more religious sections of the community. Mr. Carey's remarks are worth a perusal, and Mr. Eales is able from his own experience to corroborate these statements. Indeed, Mr. Eales has an even longer experience of both Upper and Lower Burma than Mr. Carey, as he accompanied the expeditionary force that entered Upper Burma in November, 1885. On two occasions, at least, when attacks were made on the British forces, the prisoners who were taken after the rebels were repulsed were found to be in a state of semi-intoxication. They had been drinking freely of toddy before they attempted

to make the attack. Unfortunately it was not merely as a preliminary to these attacks that toddy was drunk by the people. Government has resolutely for the last 27 years set its face against the introduction of the sale of liquor to Upper Burmans. Opium also has been prohibited, and Mr. Eales thinks that it is only right to set forth these facts in order to remove any doubt which might exist in the minds of people who interest themselves so greatly in the people of India and Burma.

Before proceeding to deal with the other questions referred to in your letter, Mr. Eales would like to emphasize the remarks of the Excise Commissioner as to the danger,—which undoubtedly exists,—that total prohibition may do more harm than good. For the last 18 years the Government of Burma has endeavoured to restrict and diminish the use of opium by the Burmans in Lower Burma. It has never been allowed to be sold to the Upper Burmans. The Annual Reports of the Excise Department for the last few years show that we have successfully battled against and controlled the spread of the opium habit, and the opium habit is, Mr. Eales believes, decreasing in Lower Burma. Nevertheless it has been found that a new and far more pernicious habit is arising to take the place of the one that we have controlled. The use of cocaine and morphia imported from Europe has unfortunately obtained a foothold in Lower Burma, and Mr. Eales has reason to believe that the habit is beginning to spread among the inhabitants of the larger towns in Upper Burma. The efforts of the Excise staff have been especially directed to the suppression of smuggling of cocaine and opium, and while we can congratulate ourselves that we have, as before stated, obtained a certain measure of success so far as opium is concerned, the issue of the struggle in the suppression of cocaine is still doubtful.

5. In paragraph 3 of Mr. Enthoven's letter attention has been drawn to the powers and scope of Local Advisory Committees. Advisory Committees have been established in accordance with previous directions of the Government of India, and as President of the Rangoon Municipality for three years, the officiating Financial Commissioner was himself in a position to understand the full value of such a Committee in the town of Rangoon. The opinions of the members of the Municipality were carefully consulted, and on only one occasion, so far as Mr. Eales was aware, was any action taken by the members of the Committee which had not already been indicated or suggested by the executive. The instance in question was of no particular value except that it showed that the Committee displayed initiative only in cases where certain personal interests were affected. Nevertheless it is proposed to extend the scope of the Advisory Committees to all towns in Burma, and while Mr. Eales is not sanguine that any great benefit will result therefrom, he is willing to support the measure, in the hope that in process of time the Committees will be able to help the executive more than they have in times past. But the advisability of establishing such Advisory Committees in the rural tracts is exceedingly dubious. The Collector will himself assume that no fresh shop should be established unless there are very strong reasons for its establishment. The Excise Commissioner has quoted a case where the opinion of a rural tract was taken and was found to be contrary to the establishment of the shop, and the shop was not established. Nevertheless, shortly afterwards it was discovered that there was a large illicit distillery in this neighbourhood, and yet the very persons who voted against the shop thought it no business of theirs to help directly or indirectly the Excise Department to discover the existence of this distillery. Indeed, by objecting to the establishment of the shop, they practically abetted the continuance of the illicit distillery. Mr. Eales has reason to believe that this is not a solitary instance. The value of public opinion in rural tracts, therefore, is exceedingly problematical. The Collectors in Burma, however, are required to ascertain the public opinion before any fresh shop is established. Mr. Eales is in complete agreement with the opinion expressed in paragraph 6 of the Excise Commissioner's letter that it would be quite impracticable to hand over the licensing function to Local Advisory Committees.

6. With regard to paragraph 2 of your letter which concerns the necessity of selecting shop sites in accordance with the principle laid down under Rule 75 of the rules under the Excise Act, Mr. Eales would draw attention to the remarks made by the Excise Commissioner in paragraph 7 of his letter. Notwithstanding the difficulty which has been experienced in obtaining sites for shops in Rangoon, and elsewhere, the principles laid down in that rule have been faithfully followed as far as circumstances would permit, and revenue has been on more than one occasion foregone when the conditions laid down by the rule could not be fulfilled.

7. The Excise Commissioner has drawn attention to the difficulty which the Excise Department has to meet when attempting to diminish the number of shops for the sale of excisable liquor. With these views Mr. Eales is entirely in accord, and he would like to draw attention to the fact that the efforts of a previous Deputy Commissioner of Pegu to reduce the number of shops in his district led to such an increase in the consumption of illicit liquor that the subsequent Deputy Commissioner of the same district urged the re-establishment of the shops. It is somewhat remarkable that the Excise Commissioner, who has during his tenure of office endeavoured loyally to carry out the wishes of Government, is unable to make any suggestion for the reduction of shops for the sale of excisable liquor, except by proposing that temporary licences should not be issued for the sale of liquor during the occasion of dramatic and other performances, and for the withdrawal of the licences on board the riverine steamers. Mr. Eales does not support these proposals because he is satisfied that they would have absolutely no appreciable effect on reducing the drink habit. The temporary licences before mentioned are issued for the use only of Europeans and Anglo-Indians, as very few Burmans or natives of India attend these performances. In the same way, Mr. Eales, who has often travelled on board the riverine steamers has no reason whatever to believe that these licences are abused and that liquor is sold to people who should not be allowed to consume it. The value of these proposed restrictions is so infinitesimal that Mr. Eales does not feel justified in supporting them and he does not think that any appreciable harm is caused thereby. It is impossible therefore to suggest any systematic withdrawal of licences or to restrict consumption in any particular locality in the province; but the wishes of Government will be impressed on all executive officers.

8. It has been suggested that the hours of opening of shops, which are now generally fixed from 6 a.m. to 9 p.m., should be reduced. With regard to the first point of the opening of the shop so early, the matter is one of very little importance to the general public. In the course of his duty, Mr. Eales has often visited these shops, in the early hours of the day, and though these were surprise visits, he has generally found these shops quite empty when he visited them before 9 a.m. Still, if coolies go there on their way to work at 6 o'clock, as is suggested by the Excise Commissioner in his letter, it would be perhaps a dangerous thing not to open the shop for their use, as it would tend to the smuggling of liquor which would be taken home and drunk by the coolies before going to work or recourse would be had to illicitly distilled liquor. With regard to the proposal to close the shops before 9 o'clock, Mr. Eales has nothing to add to Major Stone's remarks.

9. The Excise Commissioner has drawn attention to the difficulty experienced in the preparation of the returns suggested in the last paragraph of Mr. Enthoven's letter to which you draw attention in paragraph 3 of your letter. He has nothing to add to what the Excise Commissioner said thereon. It might be possible to obtain returns from licensees, but under the present conditions these returns would probably be valueless.

10. The Excise Administration in Burma is now in a transitional stage. An attempt, so far successful, has been made gradually to extend the central distillery system advocated by the Government of India and good progress has been made within the last two years; but a change of this sort cannot be made summarily. The central distilleries are unable, at present, to keep pace with the increased demand. Moreover, there is much to be said for the old system of disposing of shops for the sale of country spirit by auction sale instead of at fixed prices. The question has been carefully handled in paragraph 6 of the Excise Commissioner's letter. Mr. Eales has but little to add to what the Excise Commissioner has said. The arguments against the old system are too well known to need repetition, but the arguments in its favour, perhaps, have not received the full consideration they deserve at the hands of those who have no personal knowledge of the working of the system, and it is quite possible that over-hasty substitution of the central distillery system with fixed prices for the various shops would merely lead to a serious loss of revenue without any countervailing advantages in the way of greater security against adulteration of liquor or restriction of sales. The officiating Financial Commissioner is able to assure the Government that every endeavour is being made to carry out the wishes of the Government of India so far as it is possible under present conditions. The change must be gradual, and perhaps this fact is not altogether disadvantageous in view of the experience we have already gained in carrying out these orders.

Annexure No. 2.

Letter from Major W. R. Stone, I.A., Commissioner of Excise, Burma, to the Assistant Secretary to the Financial Commissioner, Burma, No. 106, 2 E. 68, dated the 7th July, 1913.

With reference to your letter, No. 73, 2 E.-35, dated 5th March, 1913, forwarding enclosures regarding certain criticisms made on the Excise Administration in India by two deputations which waited upon His Majesty's Secretary of State for India in August, 1907, and July, 1912, I have the honour to submit copies of this office letter, No. 256—263—2 E.-68, dated 17th March, 1913, to Commissioners and Deputy Commissioners and of replies received, together with other papers as enumerated in the schedule attached.*

2. The statistics required by paragraph 2 of the Government of India letter dated 24th January, 1913, are furnished in the forms annexed, numbered A to P. I may observe that these forms have been drawn up with special reference to the excise conditions of the provinces of continental India and not with reference to existing conditions in this province. Every effort has been made to compile correct figures and much labour has been involved, as part only of the statistics could be taken from annual reports and returns. This is particularly the case in regard to Form A, *Country spirit*. It appears to be assumed that the area under the outstill system *plus* the area under the distillery system will be equal to the total excise area. This is far from being the case in Burma. Strictly speaking there is no outstill area in Burma. In 1911-12 there were 22 and in 1912-13, 23 (since reduced to 13) outstills scattered over the province in situations remote and difficult of access; each still being isolated and unconnected with other outstills. No definite areas are served; if the licensee is an active influential Chinaman he will be able to keep illicit distillation in check for some miles round, and customers will come from afar; if he has not these qualifications illicit distillation and sales will creep up close to the shop. It has been assumed that if there is no other licensed shop the area served may be as much as the whole township. In other cases a smaller area has been assumed. As regards the area under the distillery system here again, out of ten districts in which the contract distillery system was in force in 1911-12, Indian conditions were reproduced only in the Thaton District and parts of the Amherst and Mergui Districts of the Tenasserim Division. In the remaining seven districts the shops were widely scattered and isolated, each in fact having the same monopoly as was enjoyed by the outstills they replaced. The isolation of the shops (both outstill and distillery country spirit) is described by the Commissioner, Arakan Division, in regard to the Sandoway District, where the shortest distance between any two spirit shops is sixty miles. The total areas of such districts are assumed to be under the distillery system. In addition to the above-mentioned sparsely shopped areas, there are areas, even whole townships, where "no licence" conditions prevail. These areas are included in the total excise area of the province. Such areas are far from being teetotal.

3. From Statement E showing the number of shops for the retail sale of foreign liquors it would appear that there had been an increase of 90 licences (328 to 418) between 1905-06 and 1911-12. An analysis of the figures will however show that this is not really the case.

In spite of the rapid growth of a prosperous foreign liquor consuming population, due to the influx of persons connected with mines, plantations and the oil industry, the ordinary licences for imported liquors, locally produced spirits excised at the tariff rate and fermented malt liquor manufactured in Burma, fell from 219 in 1905-06 to 218 in 1911-12, and to 212 in 1912-13. Special licences however rose from 109 to 200 between 1905-06 and in 1911-12, falling again in 1912-13 to 149. Such licences are issued for hotels, proprietary clubs, refreshment rooms, trains, steamers, public or private entertainments and buffets at public places of amusement or entertainment. The growth of hotels and railway refreshment rooms proceeds *pari passu* with the expansion of the province and it is doubtless a convenience to travellers to be able to procure alcoholic refreshment, but if a reduction is considered desirable, the abolition of licences to inland steamers might be considered and the desirability of retaining licences for entertainments is doubtful. Reductions could be effected in special licences for foreign liquor on these lines with inconvenience to but few and they mostly travellers who could carry liquor if they required it; while spectators at entertainments cannot be in any real need of alcoholic refreshments while the entertainment lasts. It would not be unreasonable to expect that such

* Not printed.

measures might assist in some degree in checking the spread of the drinking habit.

4. The deputation of 1912 like the deputation of 1907, confined itself wholly to a consideration of the conditions prevalent in continental India. No reference was made to this province nor were the local conditions investigated by the Indian Excise Committee of 1905-06. The conditions in this province are wholly different from those in the provinces of continental India and unless the differences are pointed out, the province runs the risk of having regulations imposed which may be admirably adapted to conditions in India but which might be inapplicable to Burma. Before dealing then with the specific recommendations contained in paragraphs 15 and 21 of the statement submitted by the Deputation on 18th July, 1912, and mentioned in paragraph 3 of the Government of India's letter, I will endeavour very briefly in this paragraph to point out some conditions peculiar to this province. The letters from Mr. B. S. Carey, Commissioner, Sagaing Division, Mr. J. J. Anderson, Deputy Commissioner, Amherst District, and Mr. Hardiman, Deputy Commissioner, Tavoy District, copies of which are attached, give interesting accounts of the excise conditions prevailing in the dry zone of Upper Burma and in the southern part of the province now being so rapidly opened up to the mining industry and rubber plantations. The great bulk of the population consists of Burman-Buddhists who on religious and traditional grounds are strongly opposed to the recognition by the State of the liquor traffic in any form. They are opposed to licences and regulations of any kind. They desire absolute legal prohibition but at the same time are firmly determined to do nothing to assist Government in making such prohibition effective. Before the annexation of the country such was the principle—absolute prohibition; the practice was no interference except occasionally in the case of scandalous and troublesome drunkenness, such interference being spasmodic. The Burman-Buddhist attitude remains unchanged and no Burman-Buddhist elder can give any other opinion or adopt any other attitude in view of his religious precepts and the recognized standard public opinion of his class. This is the leading factor in the provincial situation. The administration in Lower Burma permits Burmans to purchase alcohol in all forms while severely restricting facilities for purchase of imported liquors; but in Upper Burma, following the example of the Burmese régime, the sale of any spirit or fermented liquor to a Burman is prohibited with the single exception of *tari*; nor may any Burman hold a licence for the sale of any alcoholic liquor except *tari*.

In spite of his religious precepts and the avowed principles professed by his elders, the Burman is extremely prone to self-indulgence in both drugs and alcohol and generally speaking is quite unable to resist either, with the single curious exception of *ganja* (hemp drug). Wherever there are *groves* of the *tari* palm-tree or of the *dani* palm (*Nipa fruticans*), there the Burman drinks and there is no way of stopping him. If neither palm is present he ferments rice-beers or distils spirit. If a licit supply is provided by a licensed shop, he will patronize that to a certain extent, if he happens to reside in the immediate vicinity; but almost up to the shop door illicit supplies are generally procurable, while the further from the shop the more the illicit source of supply supplants the licit supply, in the more distant areas entirely taking its place. Non-official Burman-Buddhist interference with the illicit consumption of alcohol whether it be *tari* or in any other form is unknown, except in the case of informers seeking rewards or revenge.

In addition to this Burman-Buddhist population there are (a) Indians, (b) Chinese, (c) Europeans and Anglo-Indians, (d) indigenous hill tribes to be considered. The Indian population of the Province exceeded 800,000 at the last census and mostly consists of labourers who are accustomed to alcohol, mainly country spirit, in their own country and who feel the need of it even more in Burma with its damp climate and unaccustomed conditions. The labourer gets much higher pay than he did; he feels that he requires his accustomed stimulant and if a licit supply is not provided, he sets up a demand for an illicit supply which is supplied with ease by local manufacture either of fermented or distilled liquor as desired. The bases for country liquors are everywhere procurable on the spot, either rice, *jaggery* (sugar) palm juices or plantains; the choice is wide and in every village the art of distillation and fermentation is understood. The Chinese in Burma at the last census exceeded 80,000. Although comparatively small in numbers, by their industry, skill, hard work and ability they have won the foremost place among the Asiatic inhabitants of the country and they have acquired much wealth. Though the Chinaman has a national preference for opium, he also takes liquor in moderation and the liquor business of Burma is in his hands. The European population, still smaller than the Chinese, is even more conspicuous and the customs returns indicate how large

the amount of imported liquors is, the value of such imports in 1912-13 amounting to Rs. 19,35,883. It is not possible to say how much of this was consumed by the European and Anglo-Indian section of the communities but it was undoubtedly very considerable. The indigenous hill tribes who live mostly on the borders and not generally under regular administration are mostly exempted from the operation of the ordinary excise laws. Each of these sections demands consideration of its own requirements. In strong contrast to the conditions prevailing in an Indian province with its homogeneous population of liquor consumers (Mahomedans are excluded in both cases), it has seemed necessary to provide, even in small towns, for each section of the population one licence which covers the particular form of alcohol which that section of population is accustomed to and which it demands, on pain of introducing an illicit supply. This means that several licences are required to meet the needs of a cosmopolitan population which could be met by one licence with a homogeneous liquor consuming population. For example, the following licences are issued in some lower Burma towns to meet the wants of the population as shown:—

Form X.—General shop-keeper's or grocer's licence—an "off" licence to meet the requirements of European and Anglo-Indian residents

Form XIV.—Foreign liquor. This is a public house licence "on and off" to meet the general demand of Chinese and others for their own and other foreign liquors.

Form XIV A.—Country spirit, to meet the requirements of Indian labourers.

Form XVII.—Country beer (rice), to meet the demand of Indians and Burmans for this particular beverage which is very popular in parts of the country and which is the most easy of all alcoholic drink to manufacture illicitly.

Form XVIII.—*Tari*, to meet the Burman and Indian demand for the juice of the palm, where it exists.

In addition there is sometimes a beer shop licence to meet the growing and insistent demands of the Burmans for this supposed tonic; and miscellaneous licences for hotels, railway refreshment rooms, ferry steamers and proprietary clubs. With a less mixed population it is evident that these licences could be much reduced in number.

The *tari* question and the relation of drink to crime has been much under consideration in recent years.

In certain districts of both Lower and Upper Burma, the number of *tari* trees is very considerable; in Pakôkku District alone the number is estimated at a million. In Upper Burma these trees are ostensibly intended entirely for the supply of sap for the manufacture of molasses or *jaggery*: and this manufacture is an important economic factor in the precariously situated dry zone, and in famine years indeed has sometimes been almost the only harvest yield. But concurrently with the main object, the manufacture of *jaggery*, the villagers ferment and drink the *tari* and a good deal of drunkenness occurs. In Upper Burma *tari* in all places outside a radius of five miles from a licensed *tari* shop is exempt from all the provisions of the Excise Act and both in Upper and Lower Burma persons selling *tari* to manufacturers of molasses or *jaggery* are not required to have licences.

This freedom from restriction outside a five-mile limit is considered desirable to prevent harassment of the people by petty officials and informers who could not be efficiently supervised: without doubt the exemption is necessary and the evils of subjecting the people in distant tracts in Upper Burma to the danger of frequent extortion and oppression would far outweigh any supposed advantage to temperance, and with people who could not readily obtain redress except at a disproportionate cost in time and money, the political effects would be undesirable. The Government would be blamed for actions which it could not readily prevent. In Lower Burma, which is more advanced, there is no exemption but the districts have more shops in *tari* areas. The results of the presence of *tari* groves however are the same. When *tari* is in season the people drink it. The possibility of regulating *tari* consumption by means of a tree tax such as is in force in Madras Presidency was fully considered and there was a universal concensus of opinion that such a tax or means of regulation was totally unsuited to the conditions in this Province.

It has been the fashion to attribute much of the existing wave of crime to drink, just as crime in this Province used to be attributed to the consumption of opium, but the statistics which all Magistrates' Courts are now required to furnish regarding cases in which drink has been the cause of or contributory to crime have disproved such assertions. The proportion of criminal cases (apart from ordinary drunkenness) in which drink was either the cause or a contributory factor is surprisingly

small and the greater portion of them has been shown on investigation to be due to illicit drink.

The Excise staff of the Province was placed upon a permanent footing last year and its cost far exceeds the usual proportion of 5 per cent. of the Excise revenue. The percentage for 1912-13 was 9·3. This staff, like the temporary Excise staffs which preceded it, was sanctioned and entertained for moral and not revenue reasons and those reasons are to keep opium, cocaine and other deleterious drugs from the population of the country, which is so remarkably prone to the use of drugs and which shows such an utter want of control in their use. To attempt to keep the flood of drugs out of the country and to prevent their spread inland absorbs the greater part of their energies and the staff is much more of a moral police force than a revenue staff. The latter aspect is indeed so much relegated to the background that it is almost lost sight of and the Excise revenue dealt with altogether by revenue officers. This Excise staff is grouped in the places where drugs can be most effectively dealt with and consequently in a large proportion of the districts where *tari* is most grown there is either no Excise preventive staff or it is so small that systematic regulation would be impracticable. The staff already costs quite as much as the Provincial finances can afford and both for that reason and because undue harassment of the people is much to be deprecated, no increase of staff can be contemplated. In districts where both illicit drugs and liquor are consumed the staff, under the general control of the Collector, pay as much attention to liquor as they have time for: but the facilities for the manufacture and distribution of illicit liquor are so great, while the sources of licit retail supply are so scattered, shops each having a monopoly of licit supply over a large area, that it has rarely been found possible to establish really effective excise control or to maintain it, if it has been established by a special effort.

These conditions may not all be peculiar to this province but they constitute a set of conditions and a state of things which were not within the purview of either of the deputations which waited upon His Majesty's Secretary of State and which have not been taken into account in any of the papers which formed enclosures to your letter under reply.

5. I now proceed to deal with the specific recommendations made by the Deputation of 1912 which are alluded to in paragraph 3 of the Government of India letter (a) *That the system of local Excise Advisory Committees be extended to all municipalities and that these committees should be made more representative and given power to deal with all licences for the sale of liquorants of all kinds.*

6. *That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committees or some other independent authority.* It will be convenient to consider these recommendations together.

For reasons given in paragraph 4 of this letter, in a municipality mainly Burman-Buddhists, the Advisory Committee, if it represents the standard Buddhist view held by the majority of the inhabitants, must recommend the prohibition of all liquor licences however much these may be required by the non-Buddhist minority. If they are overruled or over-persuaded the results are equally unsatisfactory from a representative point of view.

In seaport towns where the non-Burman population predominates advisory committees would be more useful, though self-interest is likely to have a large part in the decisions arrived at. Such committees in Burma would not have the necessary expert knowledge nor would they have the breadth of view necessary to deal fairly with all classes of a mixed population. The genuine consumer would be largely absent, while the committees would be mainly composed of and swayed by persons desirous of depriving others of their customary privileges. Such committees could not safely be given independent authority and must remain advisory.

At present local advisory Excise Committees have been constituted in the following ten towns only : Rangoon, Akyab, Pegu, Prome, Bassein, Henzada, Moulmein, Toungoo, Thayetmyo and Mandalay. There is no demand for any extension and there does not appear to be any need for change: but if an advance is considered advisable, there would not appear to be any great objection to the extension of the system to the whole 45 municipalities in the Province (Lower Burma 32, Upper Burma 13). As already mentioned such committees if they take any active part in deliberations, will have to be overruled not infrequently: but it is probable that apathy and want of interest on the part of Burman-Buddhist members will leave the decisions to others.

So long as the committees remain advisory there appears to be no objection to a non-official majority.

The licensing function cannot be handed over to such committees nor does it appear that in this Province the suggestion of making sessions judges licensing authorities would be practicable.

In every district except one in Burma the Collector is also District Magistrate and as one Deputy Commissioner says the Deputy Commissioner is fully as much interested in maintaining peace and order in his district as in securing a few hundred or thousands of more rupees excise revenue. It is possible to go much further than this, however, and to state that every Deputy Commissioner is far more interested in maintaining the peace of his district and good administration all round, than in improving excise revenue.

The first ensures a good record; the second is a negligible quantity. The freedom of consideration regarding excise revenue in considering excise policies is strikingly shown in correspondence regarding excise matters in this Province and is indicated in some of the enclosures to this letter.

Two recent instances of the sacrifice of large amounts of excise revenue to principle may here be cited, as typical of the policy followed.

In Rangoon Town a country beer licence sold for 1913-14 for Rs. 30,000 could not be located in accordance with Excise Rule 75, owing to prohibited buildings having sprung up. When it was definitely ascertained that the licence could not be located in the prescribed area, according to rule, the licence was cancelled by order of the Financial Commissioner and the portion of fees paid refunded.

In the second instance, a proposal to grant a licence for a rice beer shop in Toungoo Town was negatived in accordance with the wishes of the special excise committee, although there is a great demand for this beverage and although over Rs. 20,000 a year was tendered for the licence. Government thus unhesitatingly gave up a revenue of over Rs. 50,000 a year for temperance principles.

The Collector and District Magistrate known in this province as the Deputy Commissioner is usually the only impartial person available in a district as licensing authority: but he should be subject as at present to the control of the Divisional Commissioner and the ultimate control of the Financial Commissioner.

In the case of the Rangoon Town District where the Collector is not District Magistrate and where he takes a very active part in directing excise affairs, it would perhaps be desirable to remove the licensing function from his hands. This might be vested in the District Magistrate, whose decision would be final if he agreed with the local Advisory Committee, but who would be obliged to refer the matter to higher authority in case he was unable to come to an agreement with them with regard to the number and kind of licences. The licences approved in the way suggested would be issued by the Collector as at present.

If it is decided to extend the system of local excise committees, I agree with the Commissioner, Mandalay Division, and the Deputy Commissioner, Bhamo (Mr. Lewisohn), that the Municipal Committee might be made the advisory committee.

(c) *That the licences for the sale of intoxicants should be steadily reduced in number, and that the hours of sale should be further limited by later opening and earlier closing hours being fixed for all licensed premises.*—As pointed out by Mr. Anderson, Burma is the least developed of all the major provinces and to apply the standard of a fully developed province is to ignore existing facts. The Deputation had not in fact the Burma conditions in view.

There are divergent schools of thought in the province on this subject, some holding that where there is a legitimate steady demand sufficient to support a shop, which demand is now illicitly met, that a licence should be granted. Others would do away with all licences or greatly reduce the present number, even where most sparse, in the belief that by doing away with the licit supply the total consumption would be reduced *pro tanto*; and experience in America and elsewhere would appear to indicate that with the total absence of a licit supply, the increase in illicit supplies might not attain to the total volume of licit plus illicit supplies. The point is doubtful but it is certain that the law would be openly broken and would fall into disrepute. Others hold to a policy of compromise and in the present transitional stage which the province is undergoing this is probably the soundest.

On the whole moderate increases are more probable than decreases as the Province develops.

As regards reduction of hours no evil results have been noted and no complaints have been made regarding the normal hours of sunrise to 9 p.m.

If closed earlier in the evening the consumers would be inconvenienced and positive evil might easily follow as pointed out by Mr. Andrew, Deputy Commissioner, Mergui, for consumers would be tempted to drink in the day time or to hurry away earlier from their work in the evening if the time were further restricted. As regards the morning hour there is no object in making a change; no complaints have been made and no abuse of morning drinking has been brought to notice; if a labourer or a fisherman, for example, does occasionally like a morning drink before starting out to expose himself in bad weather it would not appear particularly harmful. The more rules and regulations the larger staff is needed to enforce them; such staff is not available. I do not recommend any change.

(d) *That the auction system of licensing shall be superseded by a system of fixed fees as recommended by the Government Excise Committee of Enquiry.*—This is practicable and advisable in the case of country spirit shops under the Contract Distillery System, as the gallonage is known as well as the cost price and actual or probable proceeds. In such cases excessive auction bids are a very real evil.

The main factor in the taxation is the still head duty and this can be regulated according to requirements.

Where country spirits form the staple drink as in Bombay Presidency and elsewhere, no great difficulty arises in introducing fixed fees.

In Burma, however, the most important licences are country rice beers, *tari*, foreign liquor. Country spirits are a comparatively recent introduction and are still comparatively unimportant, though growing in importance. In the case of country beers and *tari* the gallonage is not known and it was decided after full consideration in 1911-12 that a quantitative taxation of country beers was impracticable. Present excise policy in the province tends to the gradual substitution in the towns at least of country spirits, subject to exact control, for country beers. In the case of foreign liquors the "off" trade is mostly carried on under fixed fee licences (Form X, general shop keeper; Form III, Wholesale); but in the case of public houses (Form XIV) the amounts realized are so large and vary so greatly in different years that no fixed fees could be arranged, just alike to licensees and Government. The wealth of the foreign liquor consuming class who buy at public houses is so great and they are willing to pay such prices that the conditions in Burma differ from those of any other Province in India. A reference to the table showing the receipts from foreign liquor licence fees for all the provinces will show this at a glance.

7. The principles laid down in Excise Rule 75 regarding the location of shops are fully complied with in Burma. The Commissioner, Mandalay Division, considers that these may now and again be inadvertently disregarded, but this can very seldom be the case and other observers do not agree with the Commissioner.

8. The furnishing of the statistics suggested in paragraph 10 (a) of the statement presented by the Deputation and referred to in paragraph 6 of the Government of India letter, showing the wholesale and retail vend and consumption of foreign liquors such as those contained in Provincial statements A and B of the Punjab and North-West Frontier Province for the year 1910-11 appears to be quite impracticable in this Province; because the licensees of foreign liquor shops, usually either Chinese or Madrassis, cannot keep accounts in either Burmese or English, cannot afford to keep clerks who can keep accounts in English or Burmese, and the staff is insufficient and untrained in this work. If taken off their primary duties and required to undertake such formal revenue and statistical duties, the object of keeping up this most expensive preventive staff would be largely lost.

The Chinese are adepts in concealing what they do not wish known and even a highly trained and numerous Excise Staff would have difficulty in securing returns of retail sales of any value. Returns of wholesale sales would leave no value apart from the retail figures and it would appear that here again the peculiar conditions of this Province suggests a different solution. The Province is isolated and practically all the liquor imported is consumed in the Province. Little, if any, liquor is believed to be re-exported; if any is re-exported the figures could be obtained from the Customs authorities at other ports to which steamers ply from Rangoon. The Customs figures then supply all the information required and to attempt a duplication of statistics in a complicated and detailed form would only result in great waste of effort and money for extra staff.

Enclosure No. 15.

No. 3289 Revenue, dated the 12th November 1913.

From—F. B. EVANS, Esq., I.C.S., Deputy Secretary to the Government of Madras,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to reply to your letter No. 477-490-218, dated the 24th January 1913, regarding the criticisms made upon the Excise administration in India by the two Deputations which waited upon the Right Honourable the Secretary of State for India in August 1907 and July 1912. The statistics called for in the second paragraph of the letter have already been forwarded with letter No. 166A—13-5, dated 4th October 1913.

2. The Deputations and those who spoke on their behalf enunciate the two propositions, that the consumption of intoxicating liquors is alien to the customs or religion of the vast majority of the population of this country, and that there has been an increase in the consumption of such liquors since the time of the last Deputation of 1907, which cannot be explained by normal causes, but represents an increasing "drink evil" fostered by administrative methods. They go on to express the opinion that this growth in the consumption of liquor cannot be checked unless the present system of Excise administration is changed, by taking away the licensing function from the Revenue authority and by abolishing the system of selling the privilege of retail vend by auction. They do not consider that the Government is an impartial authority in determining where liquor shops shall be located and what their number shall be, and recommend that the constitution of the present Advisory Committees in which there is an official majority be so changed as to leave it to the representatives of the people to decide these questions.

3. The Government of Madras are unable to accept the premises on which the Deputations have based their conclusions. However it may be in other provinces, it is not true of this Presidency that the vast majority of its population are abstainers either by religion or rule. The consumption of intoxicants is prohibited by the Muhammadan religion, but alcohol is only forbidden to some Hindus of the higher castes. Accurate information as to which castes drink and which do not is difficult to obtain, but the statistics available in the District Manuals supplemented by those given in Dr. Thurston's "Castes and Tribes" go to show that of the castes which contain over 10,000 males the following are supposed to abstain from alcohol:—

Ambattan	...	...	...	...	...	105,199
Balija	...	...	...	...	...	514,770
Bedaru	...	...	...	...	...	24,783
Boya	...	...	...	...	...	216,714
Brahmins	..	...	...	...	...	650,265
Idiga	...	...	...	...	...	126,756
Indra	...	...	...	...	...	26,535
Jain	...	...	...	...	...	14,166
Kammalan (Tamil)	...	...	...	...	...	274,693
Kanakkan	...	...	...	...	...	31,640
Karnam	...	...	...	...	...	23,499
Kshatriya	...	...	...	...	...	80,372
Lingayet	...	...	...	...	...	66,375
Muhammadans	...	...	...	...	...	1,351,119
Odiya	...	...	...	...	...	46,419
Satani	...	...	...	...	...	23,533
Telaga	...	...	...	...	...	245,812
Vellala	...	...	...	...	...	1,248,052
Total	...	...	...	...	...	<u>5,070,702</u>

These figures prove that at the most 25 per cent. of the total male population in this Presidency consider it a vice to take liquor ; and show that the goal of total abstinence at which the Deputations appear really to aim is far off and must long remain so, even if there existed in India, as there does not, that practical missionary zeal which abounds at home.

4. The next contention is that the great expansion of revenue from Abkari since the date of the last Deputation proves a largely increased consumption of liquor and increased intemperance, and justifies the conclusion that the Government have failed to carry out their avowed policy of regulation and reasonable restriction. Taking first country spirits, the quantity consumed and the revenue derived have been as follows :—

Year.	Quantity consumed. Proof gallons.	REVENUE			Total.
		Derived from rentals paid for shops.	Derived from excise duty on consumption.	Rs.	
1906-07	1,410,844	21,09,515	61,51,794	82,61,309
1907-08	1,566,944	24,30,164	71,41,068	95,71,232
1908-09	1,707,136	29,10,968	81,63,539	1,10,74,507
1909-10	1,511,570	36,20,085	77,89,572	1,14,09,657
1910-11	1,538,475	34,35,325	79,48,791	1,13,84,116
1911-12	1,628,178	35,28,308	90,22,820	1,25,51,128
1912-13	1,773,673	39,35,928	1,01,06,802	1,40,42,730

The total revenue from country spirits has increased by nearly 70 per cent., but for present purposes only the revenue derived from excise duty on the quantity of country spirits consumed need be taken into account, and this revenue, it is observed, has increased by Rs. 39·5 lakhs or 64 per cent. All this increase, however, is not the result of increased consumption. It will be seen from the above figures that of the 39½ lakhs by which the total excise duty was increased between 1906 and 1912, more than 23 lakhs was the result of the enhancement of the rates of duty, and less than 16 lakhs is to be attributed to increased consumption. In other words the quantity of country spirits consumed increased in the six years by only 25 per cent. Compared with the year 1908-1909, however, when consumption reached the high figure of 1,707,136 proof gallons, the increase in 1912-13 was only 3·8 per cent. while the consumption per 100 of the population which was 4·37 proof gallons in 1908-09 was only 4·39 proof gallons in 1912-13. The increase can hardly, therefore, be considered abnormal, and is to some extent to be attributed to the decrease in the quantity of foreign liquor imported—*vide* figures in annexure 1—and to the decrease in the number of trees licensed to be tapped for fermented toddy.

5. Taking next toddy revenue, the figures are as under :—

Toddy year (October to September).	Number of trees licensed to be tapped.	REVENUE FROM			Total.
		Rentals of shops.	Tree-tax.		
1905-06	2,755,261	50,47,891	45,50,725	95,98,616
1906-07	2,668,152	46,96,712	53,64,586	1,00,61,298
1907-08	2,784,680	51,57,546	60,18,935	1,11,76,481
1908-09	2,752,631	57,11,588	61,38,041	1,18,49,629
1909-10	2,733,593	62,26,136	64,79,061	1,27,05,197
1910-11	2,717,790	66,79,251	67,14,265	1,33,93,516
1911-12 *	2,809,197	73,46,994	70,53,740	1,44,00,734

* This is the latest complete year for which statistics of tree-tax are available.

The total revenue has increased by Rs. 48,02,118 or 50 per cent., but, for present purposes, only the revenue under tree-tax need be considered. This exhibits an increase of Rs. 25,03,015 or 55 per cent. But of this again over 24 lakhs is the result of the enhancement of the rates of tree-tax and less than a lakh is to be attributed to an increase in the number of trees tapped. As a matter of fact, the number of trees tapped has increased by only 53,936 or 1·9 per cent., while the number of trees licensed per head of population has decreased from '073 to '071.

6. Under opium also the revenue has increased by 93 per cent. while consumption has only increased by 3·7 per cent. as shown by the following figures :—

Year.	No. of shops.	Consumption in thousands of seers.	REVENUE IN LAKHS OF RUPEES FROM		Total in lakhs of rupees.
			Duty.	Vend fees.	
1906-07	1,121	38·1	4·56	3·36	7·92
1907-08	1,117	39·1	5·06	3·55	8·61
1908-09	1,118	46·2	5·33	4·35	9·68
1909-10	1,068	44·0	6·72	4·68	11·40
1910-11	1,028	41·5	8·41	4·22	12·63
1911-12	955	41·4	8·40	4·85	13·25
1912-13	851	39·5	10·0	5·21	15·21

Bengal excise opium was first introduced in this Presidency in April 1908 and duty was then fixed at Rs. 20 per seer for issues from storehouses. This was rather low as compared with previous issue prices for Malwa opium and, as a result, consumption rose in 1908-09. This tendency to rise was, however, checked by successive enhancements of the price to Rs. 28 in April 1909, Rs. 28

in April 1910, and Rs. 33 in April 1912, with the result that consumption which went up in 1908-09 to 46,200 seers has gradually fallen to 39,500 seers in 1912-13.

7. The revenue from hemp drugs again has increased from 4·46 lakhs to 6·81 lakhs of rupees or by 52·7 per cent. while consumption has increased from 47·6 to 52·4 thousand seers or by 10 per cent. Here again there is a great reduction on the figures of 1908-09 when the consumption was 56·6 thousand seers.

8. These figures prove that the increase in revenue by no means justifies the inference of a corresponding increase in consumption. Considerable fluctuations from year to year are inevitable in a country where the seasons are so variable, and taxation has to be settled in advance; but His Excellency the Governor in Council trusts that he has made it clear that the weapon of taxation has not been wielded without effect in the past seven years; and the policy of increasing taxation to check growth in consumption will be steadily pursued.

9. The other great weapon in Government hands is the restriction of facilities for drinking. The figures furnished in paragraph 21 of this letter show to what extent the number of liquor shops has been reduced in recent years. I am also to invite attention to the figures given in Annexure II, which show that the policy of reduction has been as vigorously pursued in areas in which there are no Advisory Committees as in those in which there are; and to enter a strong protest against the insinuation that the Government are not in earnest in this matter, and that there is a conflict between the Government's avowed policy and its practice or between the Government and a *department* which it is unable to control. The Government of course expect their Abkari officers to ensure that no licitly produced liquor escapes taxation and that no illicitly produced liquor enters into competition with it. That is a duty which the Government owe to the general tax-payer in respect of every taxable article, and it is especially necessary in the case of an article which is taxed not purely for revenue purposes but on social and moral grounds. But the suggestion that the department has an unavowed mission to discover new outlets for the consumption of licit liquor for the benefit of the public revenue is, in the opinion of His Excellency the Governor in Council, as absurd as it is unfounded; and it is hardly necessary to assure the Government of India that there has never been a case of a Collector being congratulated or marked out for promotion on account of the increase in the Abkari revenue of his district, or of an Excise officer being recommended for his ingenuity in suggesting new opportunities for pushing sales.

10. I am now to deal briefly with the several suggestions and recommendations of the Deputations.

First, in the matter of the grant of liquor licenses and the location of liquor shops, their recommendations are—

- (1) That the Advisory Committees should be made more representative of local opinion.
- (2) That they should in every case contain a majority of non-officials appointed independently of the Excise Department.
- (3) That the Committees should be empowered to deal with all licenses for the sale of intoxicants.
- (4) That meetings should be held more frequently than at present.
- (5) That the recommendations of the Committee should only be disregarded when there are substantial reasons for exercising an official veto.

more impartiality and with greater stringency than it is at present by the Government. Both the Excise Committee of 1905-06 and the Government of India have expressed the opinion that it would be impossible to introduce any system of local option into India without throwing the whole administration into confusion and in many places creating an intolerable class tyranny which might have very serious political effects, and the Government can only repeat their concurrence in that opinion. In other countries where local option has been tried it is based on a broad popular franchise. In this Presidency, the voters even in Municipalities number less than 1 to 3 per cent. of the population (in rural tracts they are considerably less) and their representatives are almost exclusively drawn from the higher non-drinking classes. The Government have consulted the Board of Revenue and agree with it in considering that, if the constitution of the Advisory Committees were enlarged so as to give them non-official majorities, these would almost certainly consist of men of the higher castes who would have little sympathy with the drinking population; they would inevitably tend to use their power of regulation in furtherance of their own views and, in their anxiety to diminish open drinking, to disregard the secret evils that so often take its place. The Government have with much trouble reduced illicit distillation and kindred offences within manageable limits, and any injudicious step towards the reduction of reasonable facilities for drinking might lead to a serious recrudescence of such practices.

The Government would, however, have no objection to the number of non-officials in the Committees being increased, provided an official majority is maintained. The Committees might consist of the Collector, the Superintendent of Police, the local Magistrate and the Abkari officer with the Municipal Chairman and two members elected by the Municipal Council. But they doubt whether the practical results would be to get more effective representation of the classes directly affected by the closure of shops.

12. The Deputations' third recommendation is that the Committees should be empowered to deal with all licenses for the sale of intoxicants. The Government consider that there is no necessity to extend the Committee's powers to foreign liquor licenses which are issued on payment of fixed fees; but have no objection to their being empowered to deal with auctioned shops of all kinds.

13. The fourth recommendation is that meetings should be held more frequently than at present. The questions with which the Committees deal come up for discussion once a year in connection with the proposals for the following year and there is no current business. The Government accordingly consider it unnecessary to issue any orders in regard to the frequency of the meetings of the Committees and would leave it to the Committees to meet whenever there is any matter to be discussed.

14. The fifth suggestion, that the recommendations of the Committees should only be disregarded when there are substantial reasons for exercising an official veto, is urged by the Deputations as a corollary to their first three recommendations; but the principle is observed in existing practice.

15. With regard to the sixth recommendation I am to say that for the reasons given in paragraph 5 of the Resolution of the Government of India No. 5086-Excise, dated 15th August 1907, viz., that members of District and Local Boards are rarely in a position to gauge the requirements of the rural population in the same way as the leading citizens of large towns can judge the number of shops required in the smaller and more densely populated areas with which they are familiar, this Government decided in 1908 not to appoint Advisory Committees for rural areas but to leave the question of shops in those areas to be dealt with by Collectors in consultation with the District Superintendent of Police. They have consulted the Board of Revenue now and agree with it in considering that it would be quite impossible to extend the system of Advisory Committees to rural areas for a long time to come. It might, however, be possible to extend it to unions which, though in rural areas, are really of an urban character, and the Government intend to ask the Board of Revenue to submit proposals for such extension. As the Government of India are aware, the system has already been extended to all Municipalities in the Presidency.

16. The Deputation next condemn the system of selling shops by auction. It is needless for Government to recapitulate the arguments in favour of the retention of the system. They would merely refer the Government of India to paragraph 11 of their letter No. 1540-Exc., dated 20th March 1901, paragraph 31 of their Resolution No. 2997-Exc., dated 16th May 1907, paragraph 10 of their Resolution No. 2996-Exc., dated 16th May 1907, and paragraph 17 of their despatch No. 294, dated 8th October 1908, and add that nothing has occurred to induce this Government to change their opinion.

17. They would in this connection invite the attention of the Government of India to the results of the change made in Madras town and Saidapet taluk in respect of the disposal of toddy shops. The shops in these areas were for a long time assigned on license fees to the last holders of the license, the fee being Rs. 25 for shops paying a tree-tax of Rs. 400 and less, and Rs. 25 extra for every Rs. 400 paid as tree-tax in addition. There were 245 toddy shops thus assigned in Madras town and 206 in the Saidapet taluk in 1907-1908. In September 1908, the Government directed the introduction of the auction system in the disposal of these shops and a gradual reduction in their number. The auction system was gradually introduced till it was thoroughly established in these areas in 1912-13. It will be seen from the results of the auction of the shops for that year (October 1912 to September 1913) that 286 shops fetched a rental of Rs. 4,22,555 whilst the average fixed license fee collected before 1908-09 for the 451 toddy shops then in existence was Rs. 39,925.

One of the objections urged by the Deputation against the auction system is that if a licensee has, by competition in auction, to pay increased license fees, he must recoup himself by increase in sales and not by increase in prices. They add "the increase of taxation by license fee must mean inducement to sell more and more liquor". Taking for instance the figures for the Madras Town Circle referred to above, according to the Deputation, the shopkeepers who before 1908-09 were tapping 1,09,557 trees to obtain the toddy required for issue to their consumers should in 1912-13 have tapped over ten times the number of trees to recoup the enhanced rental paid by them; but the number of trees actually tapped in 1912-13, was only 185,713. There cannot, in the opinion of His Excellency in Council, be a stronger refutation of the objection urged. It is obvious that in order to pay the enhanced rents the shopkeepers have not been stimulating drinking by offering toddy cheaper than before, but must have been charging higher prices and so tending to reduce consumption. It would be comforting if Government could accept the view that consumption could be reduced by enabling shopkeepers to pocket more than the fair profit to which they are entitled on their capital and business capacity; but though if rentals were less, the shopkeeper could of course afford to sell cheaper, it is doubtful if he would, therefore, exercise restraint in pushing his wares, while his customers would be able to buy more for the same money.

18. The figures for country spirits suggest the same conclusion. The issues for consumption in 1906-07 when the rentals for shops amounted to Rs. 21,09,515, were 1,410,844 proof gallons. When rentals under the auction system went up to Rs. 39,35,928 in 1912-13, the shopkeepers, according to the contention of the Deputation, ought to have sold 2,623,952 proof gallons, but the actual consumption of that year was only 1,773,673 proof gallons. The point is made still clearer by the figures relating to opium as, unlike country spirits and toddy which are taxed at different rates in different districts, opium is subject to a uniform rate of duty throughout the Presidency. When vend fees in 1906-07 were Rs. 3.36 lakhs, consumption of opium was 38,100 seers, *vide* paragraph 8 *supra*. In 1912-13, when vend fees rose to Rs. 5.21 lakhs, consumption should have risen to 59,000 seers but the actual consumption was only 39,500 seers. In arguing that increased shop rents must lead to increased sales rather than to increased prices the Members of the Deputation appear to have overlooked the fact that increased sales involve the payment of additional excise duty; and the figures now quoted are sufficient to refute the argument. This Government would, therefore, prefer to continue the present system of selling shops by auction.

19. With reference to paragraphs 2 and 3 of the letter under reply, I am to state that as compared with 1905-06 there has been a gradual reduction in the number of shops for the sale of intoxicants,

the number of arrack shops in distillery areas having fallen from 10,155 in 1905-06 to 8,324 in 1912-13;

the number of arrack shops in outstill areas from 1,364 in 1905-06 to 652 in 1912-13;

the number of toddy shops from 19,080 in 1905-06 to 14,478 in 1912-13;

the number of foreign liquor taverns from 214 in 1905-06 to 63 in 1912-13;

the number of beer shops from 41 in 1905-06 to 27 in 1912-13;

the number of ganja shops from 633 in 1905-06 to 538 in 1912-13;

and the number of opium shops from 1,211 in 1905-06 to 851 in 1912-13.

I am to add that in 1913-14—

415 arrack shops in distillery areas,

93 arrack shops in outstill areas,

10 taverns,

2 ganja shops, and

93 opium shops

have been closed.

The results of the auction sale of toddy shops for the lease commencing from October 1913 have not yet been reported, so that it is not possible to say how many toddy shops in the Presidency will be closed in 1913-14. This information will be submitted as soon as it is received; but it may be stated at once in regard to the Madras Town Circle that 47 toddy shops will be closed from 1st October 1913, and 33 more will be closed from 1st October 1914. I am to add that the reduction effected has been rendered possible only by the fact that illicit practices have been reduced to manageable dimensions and that such further reduction as may be found expedient will be carried out; but that there is a point beyond which the restriction of legitimate facilities cannot go, not only from the danger to which the Government of India advert in paragraph 2 of their Resolution No. 5086-Exc., dated 15th August 1907, of giving individual shopkeepers a practically unrestricted monopoly, but from the far more serious danger of stimulating a recrudescence of those illicit practices which are so difficult to control.

20. The Deputation next ask that a change be made in the hours of opening of shops. They say that no Hindu or Muhammadan worthy of the name and no respectable member of Indian society would take a bottle of drink into his own house and consume the contents in the presence of his family and friends. They add that these people will not venture to go to the shops in day-light but are tempted to go into them in the early hours of the morning and in the late hours of the day, and accordingly suggest that the shops be not opened early in the morning or till a late hour in the evening.

As the Government of India are aware (*vide* this Government's letters Nos. 70, dated 7th January 1910, No. 940, dated 30th March 1911, and No. 147, dated 19th January 1912) excepting hotels and refreshment rooms in Madras town which have been permitted to close at 10 P.M., no dépôt or shop is allowed in this Presidency to be opened before sunrise or kept open after 9 P.M. except under special authority. The Government have more than once on the motion of Additional Members of the Legislative Council considered the question of curtailing the hours of sale, but they fear that they cannot be reduced without causing considerable hardship and inconvenience to the labouring classes who usually take arrack or toddy either in the mornings before they commence their daily work or in the evenings after their daily work is over and without putting an additional weapon in the hands of the subordinate officers of the department to harass the shopkeepers and customers alike. In their opinion the hour

of 8 P.M., fixed in parts of Bombay is too early for liquor shops to close either in the towns in this Presidency or in the villages where agricultural labourers are kept in the fields till 7 or 8 P.M. If the shop were closed at the time when the consumer would naturally go to have his drink, he would make arrangements to have it at home, and any measure which would increase drinking at home is an evil. If the object of curtailing the hours is to reduce consumption, I am to say that experience in Madras town has been quite the reverse. There the hour of closing country spirit shops was 10 P.M. before 910; it was then changed to 9 P.M., and yet there was an increase in the consumption of country spirits. In the opinion of His Excellency the Governor in Council any general curtailment of the present hours would be an unwarranted interference with the liberty of the subject, and he has accordingly thought it sufficient for the present to add a condition to the general conditions applicable to Abkari and Opium licenses giving power to Collectors, on the report of the Police or for other sufficient reasons, to order the closure of any particular shop at 8 P.M., or even at an earlier hour, if they consider such a course to be advisable in the interests of the public.

21. The last point with which I am to deal is the Deputations' reference to the question of the situation of liquor shops. This question has received full consideration at the hands of the Board and Government, and I am to forward to the Government of India a copy *

of the instructions issued by the Board of Revenue in correction slip No. 530 to the Excise Manual in pursuance of the orders of Government given from time to time, and to add that His Excellency in Council regards them as sufficient.

* Annexure III.

ANNEXURE I.

Statement showing issues of locally made foreign liquor, and imports of foreign liquor.

Year.	Locally made foreign spirits.			Beer.			Imported liquors.			Wines.
	Malabar arrack.	Other kinds of spirits.	Total.	Nilgiris.	Bangalore.	Total.	Ale, Beer and Porter.	Cider and other fermented liquors.	Spirits including Co. lombo, Gochin and Java arrack and liquors.	
1906-07	...	1,890	4,910	6,800	572,280	163,445	735,725	624,704	199,815	52,360
1907-08	...	17,036	7,164	24,200	754,420	168,624	923,044	566,236	1,280	50,822
1908-09	...	15,884	4,216	20,100	687,719	109,633	797,352	561,494	2,019	52,601
1909-10	...	15,008	4,392	19,400	607,042	113,335	720,377	529,388	4,192	53,276
1910-11	...	14,513	1,987	16,500	585,546	104,111	689,657	466,245	2,095	165,752
1911-12	...	15,809	1,291	17,100	551,122	150,982	702,104	470,957	2,047	144,909
1912-13	...	10,847	2,222	13,069	542,813	170,675	713,488	376,705	2,650	165,314
										33,792

ANNEXURE II.

Year.	Number of arrack shops closed in			Total.
	Municipal areas.	Rural areas.		
1909-10	94	929
1910-11	13	184
1911-12	10	166
1912-13	9	398

Year.	Number of toddy shops closed in			Total.
	Municipal areas.	Rural areas.		
1909-10	46	901
1910-11	17	367
1911-12	19	326
1912-13	58	954

Year.	Number of foreign liquor taverns and liquor shops closed in			Total.
	Municipal areas.	Rural areas.		
1909-10	No information available.	26
1910-11	3
1911-12	2	...
1912-13	23	7

Year.	Number of opium shops closed in			Total.
	Municipal areas.	Rural areas.		
1909-10	Information not available.	51
1910-11	3	36
1911-12	1	72
1912-13	19	85

ANNEXURE II—*concl'd.*

Year.	Number of ganja shops closed in		Total.
	Municipal areas.	Rural areas.	
1909-10	8
1910-11	9
1911-12	8
1912-13	79

ANNEXURE III.

Number, locality and sites of shops, etc.

The number of shops for any tract is fixed in order to meet the reasonable requirements and convenience of the people without encouraging illicit sales.

B. P. No. 92, 15th February 1892.

2. The declared policy of Government is to secure the maximum of revenue with a minimum of consumption of intoxicating drugs and liquors and the Excise arrangements should, therefore, be such as to restrict consumption, so far as is consistent with making provision to meet the demand by ensuring a licit supply. It is for Collectors to determine where shops are required and what number should be allowed, and they have full power to refuse to permit shops to be opened in localities in which they do not consider that they are really required. Too great a restriction in the number of shops involves a danger of the licit supply being inadequate and of an illicit one being substituted. The number of arrack and toddy shops to be actually opened should represent the number considered necessary to meet reasonable requirements and shops should neither be so sparse as to give their owners practical monopoly over particular areas nor so numerous as to make it equally convenient for any considerable number of persons to choose between two or more shops. A maximum and a minimum limit for the number of shops in each taluk or division or municipal town will be fixed by the Board so as not to exceed, nor fall below the number considered necessary to meet present requirements by more than 5 per cent. The minimum should represent the number of shops absolutely necessary to meet reasonable requirements of each locality, while the maximum should serve as an effective check on the undue growth of shops in any area and at the same time give the local authorities sufficient scope to provide for varying circumstances. These limits will be subject to revision once in five years.

NOTE.—Until the number of arrack and toddy shops necessary for the present requirements of each tract is ascertained with a greater degree of accuracy, Collectors should propose only maximum numbers of shops. The existing minima should be considered to have been cancelled.

B. P. No. 34-183-R., Abk., 17th February 1912.

3. Except in the case of arrack and toddy shops in municipal areas, Collectors will determine, in consultation with the District Superintendent of Police, the limits within which shops should be opened. In locating a shop the following principles should be followed :—

Its position should be so far public that persons entering it should not escape observation and that supervision should be rendered easy, but it should not be so prominent as to compel attention, e.g., by occupying a whole side of a public square, etc. It should never occupy a position to which the near neighbours object on grounds which upon enquiry appear to be other than grounds of personal spite. So far as possible, it should be at a distance from bathing ghats, market places and other places of public resort, schools, hospitals, places of worship, factories and should not be in the interior of a village, at the side of a road leading to a ghat or other place of water-supply, or in a bazaar or at the entrance to a bazaar.

Local opinion and where necessary the opinions of persons who may be specially interested, such as Railway authorities, Forest officers and large employers of labour, should be obtained and representations from District or Taluk Boards or from village panchayats should receive attention. To this effect, a list of the shops proposed to be opened during the ensuing lease, with the prescribed limits, should be forwarded each year to the District or Taluk Board concerned in time to allow of any representations as to number or limits being received and duly considered by the Collector. Moreover, a notice in the subjoined form, setting forth the limits within which a shop is to be opened.

should be put up each year in the chavadi of the village concerned as well as at or near the proposed site, and the proposal should be notified in the village by beat of drum.

B. P. No. 82-746-R., Abk., 3rd May 1910.

B. P. No. 595-D., Abk., 16th May 1911.

B. P. No. 216-1131-R., Abk., 26th November 1912.

NOTICE.

It is hereby notified for the information of the public that ~~an arrack~~^{a toddy} shop will be opened in the locality specified below from ~~1st April~~^{*} ~~1st October~~ 1911. Any objections to the proposed limits must be submitted by (*) to

Number and name of shop.	Limits within which the shop may be opened.

* Here enter date.

Where possible, a local and personal enquiry should be made by a responsible officer. A personal enquiry will secure knowledge of the actual opinion of the respectable law-abiding inhabitants, while other methods are apt to elicit only the contentions of persons of extreme views or litigious character.

B. P. No. 139, 2nd April 1891.

B. P. No. 140, 3rd April 1891.

B. P. No. 205, 12th May 1891.

B. P. No. 99-R., Abk., 22nd January 1908.

B. P. No. 216-1131-R., Abk., 26th November 1912.

4. In planting districts, the local Planting Association should be consulted, whenever any liquor shop is to be opened anywhere else than in a recognised public market.

B. P. No. 214-1323-R., Abk., 9th September 1909.

5. In municipal towns local committees appointed for the purpose will propose the number of arrack and toddy shops to be actually opened and the maximum and minimum limits for these shops. In this work the committee will be guided by the instructions in paragraphs 2 and 3 *supra*. It will suffice if the maximum and minimum limits are thus revised once in five years, but a list of the shops proposed to be opened during the ensuing lease with the prescribed limits should be forwarded each year to the Municipal Council in sufficient time to allow of its remarks being received and considered both by the local committee and by the Collector. The final decision as regards the number and location of

shops in municipal towns within the maximum and minimum limits fixed by the Board rests with Collectors, but the recommendations of committees should be accepted wherever possible.

B. P. No. 82-745-R., Abk., 3rd May 1910.

B. P. No. 391-R., Abk., 24th March 1911.

B. P. No. 216.131-R., Abk., 25th November 1912.

Note.—The committee will be constituted as follows :—

(c) In the case of municipalities at the head-quarters of districts and of those having a population of 30,000 and over, the Committee will consist of the Collector (President), the District Superintendent of Police, and the Chairman of the Municipality.

(d) In the case of other Municipalities, the Committee will comprise the Divisional Officer (President), the Chairman of the Municipality and the Assistant Superintendent of Police or other local Police Officer to be appointed by the District Superintendent of Police. When the Divisional Officer is himself the Chairman of the Municipality, a member of the Municipal Council, selected by the Council, will act with the Divisional Officer and the local Police Officer.

B. P. No. 93, Abk., 22nd January 1903.

6. Where shops are sold separately, the limits within which shops may be opened should be set forth in the sale notification published in the District Gazette, and the successful bidder will be allowed to establish a shop at any place within those limits approved by the Tahsildar or Deputy Tahsildar in independent charge. It is not desirable that the *sites* of shops should be too precisely fixed and notified, as this might throw the purchaser into the hands of the *owners of the only possible house or houses*, and, should he be unable to come to terms with them, complication with other shopkeepers may result from his being permitted to use a site outside the notified limits. A reasonable and well-marked area should be notified for each shop, i.e., the *locality* of the shop and not its *exact site* should be notified. In towns, the street or streets in which a shop may be opened can be specified. Where there is only one shop in a village, it will generally suffice if it is notified that it must be within the village, but it may often be desirable to state that it should be in a specified part of the village; where there are two or more, the village can be divided between them.

B. P. No. 303, 4th June 1892.

B. P. No. 327, 15th August 1896.

B. P. No. 99-R., Abk., 22nd January 1903.

7. Collectors may order the transfer of shops from one locality to another or their closure or the opening of new shops subject to the minimum number of shops being always sold and the maximum not being exceeded. But no new shops should be opened unless notice of the sites selected has been published in the District Gazette six months before the commencement of the lease and no such changes as affect the interests of adjacent shopkeepers should be made during the currency of a lease except under the special sanction of the Board. Tahsildars may, subject to the control of Divisional officers, permit at any time the transfer of a shop within the notified limits for the shop in the sale notice.

B. P. No. 166, 17th May 1890.

B. P. No. 345, 17th November 1893.

B. P. No. 99, Abk., 22nd January 1903.

B. P. No. 38-135, Abk., 6th February 1909.

8. Shops situated along the Mysore border should not be moved nearer the border without reference to the Mysore Excise authorities through the Board of Revenue.

B. P. No. 932, Abk., 25th May 1903.

B. P. No. 107-574, Abk., 6th May 1909.

9. Except in the case of foreign liquor, shops must not be located in the same building with depôts, and in the case of arrack, they should always be a considerable distance apart. Shops and depôts for the sale of any one kind of intoxicant must not be located in the same building with shops or depôts for the sale of any other kind.

NOTE.—The case of chemists and druggists and medical practitioners is an exception to the rule.

B. P. No. 342, 7th August 1891.

B. P. No. 92, 15th February 1892.

B. P. No. 424, 18th September 1893.

B. P. No. 474, 9th October 1895.

10. The number of shops for the sale of foreign liquor for consumption on the premises should not be increased without very strong reasons, in order that there may be no interference with country spirit vendors.

11. In rented areas where outstills are allowed, Collectors should endeavour to reduce the number of stills as much as can be done without encouraging illicit distillation.

1

Country spirit.

(a) The figures represent the population of the areas under the contract distillery and outfit systems only, excluding districts under other systems of Excise administration.

A—Oriental.

Revenue from the one-still system, in lakhs of rupees.

Provinces.	Revenue from the distillery system, in lakhs of rupees.												Percentage of the out-still revenue to the total revenue from country spirit.												
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
1																									
Madras.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bombay.	61	63	63	64	65	65	66	67	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	
Sind.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bengal.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bihar and Orissa.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Burma.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
United Provinces.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Punjab (including Delhi) (a)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
North-West Frontier Province.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Assam.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Central Provinces.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bihar.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Ajmer-Merwara.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Coorg.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Baluchistan.	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Total.	"	7479	7904	8039	8530	8711	9039	9530	2019	2510	2936	3310	3810	4250	44851	50078	56852	60357	64851	69078	7310	7810	8310	8810	

(a) In the absence of details the districts liable duty on " Foreign " spirit of India manufacture contained in the Punjab and the North-West Frontier Province.

Total.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61

62

63

64

65

66

67

68

69

70

71

72

73

74

75

76

77

78

79

80

81

82

83

84

85

86

87

88

89

90

91

92

93

94

95

96

97

98

99

100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128

129

130

131

132

133

134

135

136

137

138

139

140

141

142

143

144

145

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

Consumption of country spirit in distillery areas, in gallons London proof.

Province.	Consumption of country spirit per 100 of the population in distillery areas, in gallons London proof.										Province.						
	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.	
1	2	3	4	5	6	7	8	0	10	11	12	13	14	15	16	17	
Madras	1,221,810	1,410,941	1,600,014	1,707,136	1,811,570	1,939,476	1,028,173	1,773,973	3-33	3-83	4-26	4-03	4-07	4-07	4-43	Madras.	
Bombay	2,302,423	2,527,500	2,601,281	2,311,018	2,000,013	2,000,058	2,545,205	2,446,054	16-95	10-53	14-04	16-23	10-20	16-82
Sind	165,903	225,050	217,911	214,678	210,285	210,058	211,001	670	610	704	670	610	617	
Bengal	432,243	617,201	630,016	633,016	705,864	770,512	790,784	851,631	1-03	1-05	2-25	1-00	1-04	2-13
Bihar and Orissa	308,350	310,763	407,258	472,410	518,355	624,054	1,070,535	1,157,650	3-90	4-12	5-35	4-74	3-13	4-21
Burma (a)	4,050	11,433	10,610	17,630	13,801	25,200	20,788	67,391	070	2-12	3-36	3-02	2-30	3-16
United Provinces	1,149,888	1,282,771	1,125,214	667,718	1,013,688	1,320,271	1,658,504	1,080,632	2-91	3-10	2-90	2-24	2-31	3-11
Punjab (including Delhi) (b)	470,061	414,902	434,144	308,040	382,187	470,813	470,151	473,000	2-37	2-08	2-18	2-00	1-01	2-40
North-West Frontier Province	17,358	18,243	18,205	21,040	20,053	10,385	21,580	24,290	•83	•86	1-02	•95	•91	•95
Afghan	20,620	45,498	60,010	170,407	202,601	211,034	238,047	247,303	3-48	7-04	10-25	3-43	3-35	4-02
Central Provinces	410,835	619,751	647,340	400,413	400,378	650,023	671,925	705,032	0-51	12-20	11-90	8-52	7-01	8-72
Rajputana	626,703	633,371	403,240	284,003	380,005	301,055	430,314	10,000	10-33	10-93	10-34	10-33	14-27	
Ajmer-Merwara	39,443	40,535	65,003	42,005	48,915	65,168	63,240	51,780	8-27	7-82	11-54	9-01	10-25	13-00
Coorg	20,057	25,070	31,010	27,200	21,058	22,285	22,303	20,463	14-40	14-10	17-01	16-07	11-63	12-91
Uttachitran	8,810	10,304	25,003	23,690	...	...	...	2-00	5-01	15-14
TOTAL	7,201,103	8,037,838	8,403,031	7,704,037	7,830,684	8,278,080	9,737,073	10,230,357	9-51	4-00	5-01	4-43	4-11	4-40	4-53	4-75	TOTAL.

(a)

(b)

(c) The figures in columns 10 to 17 have been calculated on the basis of the population shown in Statement A.

(d) In the absence of details the figures include consumption of "foreign" spirit of Indian manufacture in the Punjab and Delhi.

B—*Concord.*

Province.	Total revenue derived from country distillery spirit, in lakhs of rupees.						Indicates the total revenue derived from country distillery spirit per proof gallon, in rupees.									
	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.
1	18	10	20	21	23	23	24	25	20	27	29	29	20	30	31	33
Maharashtra	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bombay	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Gujrat	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bengal	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bihar and Orissa	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Burma	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
United Provinces	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Punjab (including Delhi)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
North-West Frontier Province	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Assam	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Central Provinces	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bihar	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Orissa	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Almer-Morover	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Coorg	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Dhaka	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Total	3425.08	361.05	412.06	428.00	440.01	500.75	509.63	510.67	473	470	471	472	473	474	475	476

NUMBER OF HOUSES FOR THE MUSEUM ALL IN ONE PLACE.

(a) The figures include temporary shops.

Groota

NUMBER OF INHALING PHONES PER 100,000 OF THE POPULATION.

STATE SHOWING PER 100,000 OF THE POPULATION.															
		Districts.								Provinces.					
		Average.				Districts.				Average.				Districts.	
		1003-04.	1003-05.	1007-08.	1007-09.	1009-10.	1010-11.	1011-12.	1012-13.	1005-06.	1006-07.	1007-08.	1008-09.	1011-12.	1012-13.
1	20	27	28	20	30	31	32	33	34	35	36	37	38	40	41
Madras	"	"	"	"	"	60	60	60	61	61	61	61	61	62	63
Bomby	"	"	"	"	"	16	16	16	16	16	16	16	16	16	16
Sind	"	"	"	"	"	18	16	16	16	16	16	16	16	16	16
Bengal	"	"	"	"	"	3	3	3	2	2	2	2	2	2	2
Bihar and Orissa	"	"	"	"	"	7	7	7	7	7	7	7	7	7	7
Burma (A)	"	"	"	"	"	18	17	17	17	17	17	17	17	17	17
United Provinces	"	"	"	"	"	4	4	4	4	4	4	4	4	4	4
Punjab (including Delhi)	"	"	"	"	"	16	16	16	16	16	16	16	16	16	16
North-West Frontier Province	"	"	"	"	"	3	3	3	3	3	3	3	3	3	3
Assam	"	"	"	"	"	11	11	11	11	11	11	11	11	11	11
Central Provinces	"	"	"	"	"	3	3	3	3	3	3	3	3	3	3
Bihar	"	"	"	"	"	80	60	60	62	62	62	62	62	62	62
Ajmer-Merwara	"	"	"	"	"	30	22	20	21	21	21	21	21	21	21
Gorakhpur	"	"	"	"	"	15	13	12	12	12	12	12	12	12	12
Baluchistan	"	"	"	"	"	16	12	12	12	12	12	12	12	12	12
TOTAL	"	"	"	"	"	15	13	12	12	11	11	11	11	11	11
O—Omission.															
(a) The figures have been calculated on the basis of the population shown in Statement A.															
Number on which figures are based.															
Prov. 1.		11				11				11				11	
Prov. 2.		11				11				11				11	
Prov. 3.		11				11				11				11	
Prov. 4.		11				11				11				11	
Prov. 5.		11				11				11				11	
Prov. 6.		11				11				11				11	
Prov. 7.		11				11				11				11	
Prov. 8.		11				11				11				11	
Prov. 9.		11				11				11				11	
Prov. 10.		11				11				11				11	
Prov. 11.		11				11				11				11	
Prov. 12.		11				11				11				11	
Prov. 13.		11				11				11				11	
Prov. 14.		11				11				11				11	
Prov. 15.		11				11				11				11	
Prov. 16.		11				11				11				11	
Prov. 17.		11				11				11				11	
Prov. 18.		11				11				11				11	
Prov. 19.		11				11				11				11	
Prov. 20.		11				11				11				11	
Prov. 21.		11				11				11				11	
Prov. 22.		11				11				11				11	
Prov. 23.		11				11				11				11	
Prov. 24.		11				11				11				11	
Prov. 25.		11				11				11				11	
Prov. 26.		11				11				11				11	
Prov. 27.		11				11				11				11	
Prov. 28.		11				11				11				11	
Prov. 29.		11				11				11				11	
Prov. 30.		11				11				11				11	
Prov. 31.		11				11				11				11	
Prov. 32.		11				11				11				11	
Prov. 33.		11				11				11				11	
Prov. 34.		11				11				11				11	
Prov. 35.		11				11				11				11	
Prov. 36.		11				11				11				11	
Prov. 37.		11				11				11				11	
Prov. 38.		11				11				11				11	
Prov. 39.		11				11				11				11	
Prov. 40.		11				11				11				11	
Prov. 41.		11				11				11				11	
Prov. 42.		11				11				11				11	
Prov. 43.		11				11				11				11	
Prov. 44.		11				11				11					

Province.	Distillery areas.	Average.																												
		On distill. areas.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.													
1	60	61	62	63	64	65	66	67	68	60	61	62	63	64	65	66	67													
Madhya	16'01	16'08	16'02	20'37	21'12	20'41	28'01	12'03	11'97	11'94	12'12	13'40	13'87	14'10	14'86	12'80	12'40	12'97	12'68	14'15	14'71	15'10	15'88	Madras.		
Bombay	101'30	101'10	101'00	101'00	101'00	101'00	20'04	20'04	20'08	20'08	20'08	20'08	20'08	20'08	20'08	20'20	20'20	20'20	20'22	21'20	23'03	24'70	35'34	35'01	Bombay.	
Ghaut	Sind.		
Bengal	Bengal.		
Bihar and Orissa	Bihar and Orissa.		
Juruma (a)	Burma (a).	
United Provinces	United Provinces.	
Punjab (including Delhi)	Punjab (including Delhi).	
North-West Frontier Province	North-West Frontier Province.	
Azam	Azam.	
Central Provinces	Central Provinces.	
Barar	Barar.	
Ajmer-Merwara	Ajmer-Merwara.	
Coorg	Coorg.	
Malabarhan	Malabarhan.	
Total	...	88'10	45'63	47'65	40'23	44'31	43'04	52'81	50'20	29'96	24'81	24'10	24'81	23'63	23'63	23'28	31'28	31'28	31'20	33'84	31'73	27'63	20'27	20'21	31'09	33'62	34'83	35'80	36'83	Total.

(n) The charges have been calculated on the basis of the areas shown in Statement A.

Statement showing the wholesale and retail license fees realised from shops for the sale of foreign liquors of all kinds.

D.

Provinces

(In lakhs of rupees.)

Provinces	1005-06.				1006-07.				1007-08.				1008-09.				1009-10.				1010-11.				1011-12.				1012-13.				Provinces.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	33210	33211	33212	33213	33214	33215	33216	33217	33218	33219	33220	33221	33222	33223	33224	33225	33226	33227	33228	33229	33230	33231	33232	33233	33234	33235	33236	33237	33238	33239	33240	33241	33242	33243	33244	33245	33246	33247	33248	33249	33250	33251	33252	33253	33254	33255	33256	33257	33258	33259	33260	33261	33262	33263	33264	33265	33266	33267	33268	33269	33270	33271	33272	33273	33274	33275	33276	33277	33278	33279	33280	33281	33282	33283	33284	33285	33286	33287	33288	33289	33290	33291	33292	33293	33294	33295	33296	33297	33298	33299	332100	332101	332102	332103	332104	332105	332106	332107	332108	332109	332110	332111	332112	332113	332114	332115	332116	332117	332118	332119	332120	332121	332122	332123	332124	332125	332126	332127	332128	332129	332130	332131	332132	332133	332134	332135	332136	332137	332138	332139	332140	332141	332142	332143	332144	332145	332146	332147	332148	332149	332150	332151	332152	332153	332154	332155	332156	332157	332158	332159	332160	332161	332162	332163	332164	332165	332166	332167	332168	332169	332170	332171	332172	332173	332174	332175	332176	332177	332178	332179	332180	332181	332182	332183	332184	332185	332186	332187	332188	332189	332190	332191	332192	332193	332194	332195	332196	332197	332198	332199	332200	332201	332202	332203	332204	332205	332206	332207	332208	332209	332210	332211	332212	332213	332214	332215	332216	332217	332218	332219	332220	332221	332222	332223	332224	332225	332226	332227	332228	332229	332230	332231	332232	332233	332234	332235	332236	332237	332238	332239	332240	332241	332242	332243	332244	332245	332246	332247	332248	332249	332250	332251	332252	332253	332254	332255	332256	332257	332258	332259	332260	332261	332262	332263	332264	332265	332266	332267	332268	332269	332270	332271	332272	332273	332274	332275	332276	332277	332278	332279	332280	332281	332282	332283	332284	332285	332286	332287	332288	332289	332290	332291	332292	332293	332294	332295	332296	332297	332298	332299	332300	332301	332302	332303	332304	332305	332306	332307	332308	332309	332310	332311	332312	332313	332314	332315	332316	332317	332318	332319	332320	332321	332322	332323	332324	332325	332326	332327	332328	332329	332330	332331	332332	332333	332334	332335	332336	332337	332338	332339	332340	332341	332342	332343	332344	332345	332346	332347	332348	332349	332350	332351	332352	332353	332354	332355	332356	332357	332358	332359	332360	332361	332362	332363	332364	332365	332366	332367	332368	332369	332370	332371	332372	332373	332374	332375	332376	332377	332378	332379	332380	332381	332382	332383	332384	332385	332386	332387	332388	332389	332390	332391	332392	332393	332394	332395	332396	332397	332398	332399	332400	332401	332402	332403	332404	332405	332406	332407	332408	332409	332410	332411	332412	332413	332414	332415	332416	332417	332418	332419	332420	332421	332422	332423	332424	332425	332426	332427	332428	332429	332430	332431	332432	332433	332434	332435	332436	332437	332438	332439	332440	332441	332442	332443	332444	332445	332446	332447	332448	332449	332450	332451	332452	332453	332454	332455	332456	332457	332458	332459	332460	332461	332462	332463	332464	332465	332466	332467	332468	332469	332470	332471	332472	332473	332474	332475	332476	332477	332478	332479	332480	332481	332482	332483	332484	332485	332486	332487	332488	332489	332490	332491	332492	332493	332494	332495	332496	332497	332498	332499	332500	332501	332502	332503	332504	332505	332506	332507	332508	332509	332510	332511	332512	332513	332514	332515	332516	332517	332518	332519	332520	332521	332522	332523	332524	332525	332526	332527	332528	332529	332530	332531	332532	332533	332534	332535	332536	332537	332538	332539	332540	332541	332542	332543	332544	332545	332546	332547	332548	332549	332550	332551	332552	332553	332554	332555	332556	332557	332558	332559	332560	332561	332562	332563	332564	332565	332566	332567	332568	332569	332570	332571	332572	332573	332574	332575	332576	332577	332578	332579	332580	332581	332582	332583	332584	332585	332586	332587	332588	332589	332590	332591	332592	332593	332594	332595	332596	332597	332598	332599	332600	332601	332602	332603	332604	33260

Statement showing the number of shops for the retail sale of potable foreign liquors, including special licenses for the sale of such liquors, &c., in hotels, refreshment rooms, steamers, etc., and temporary refreshment room stalls.

Province.	1905-06.					1906-07.					1907-08.					1908-09.					1909-10.					1910-11.					1911-12.					1912-13.					Provinces.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	8010	8011	8012	8013	8014	8015	8016	8017	8018	8019	8020	8021	8022	8023	8024	8025	8026	8027	8028	8029	8030	8031	8032	8033	8034	8035	8036	8037	8038	8039	8040	8041	8042	8043	8044	8045	8046	8047	8048	8049	8050	8051	8052	8053	8054	8055	8056	8057	8058	8059	8060	8061	8062	8063	8064	8065	8066	8067	8068	8069	8070	8071	8072	8073	8074	8075	8076	8077	8078	8079	8080	8081	8082	8083	8084	8085	8086	8087	8088	8089	8090	8091	8092	8093	8094	8095	8096	8097	8098	8099	80100	80101	80102	80103	80104	80105	80106	80107	80108	80109	80110	80111	80112	80113	80114	80115	80116	80117	80118	80119	80120	80121	80122	80123	80124	80125	80126	80127	80128	80129	80130	80131	80132	80133	80134	80135	80136	80137	80138	80139	80140	80141	80142	80143	80144	80145	80146	80147	80148	80149	80150	80151	80152	80153	80154	80155	80156	80157	80158	80159	80160	80161	80162	80163	80164	80165	80166	80167	80168	80169	80170	80171	80172	80173	80174	80175	80176	80177	80178	80179	80180	80181	80182	80183	80184	80185	80186	80187	80188	80189	80190	80191	80192	80193	80194	80195	80196	80197	80198	80199	80200	80201	80202	80203	80204	80205	80206	80207	80208	80209	80210	80211	80212	80213	80214	80215	80216	80217	80218	80219	80220	80221	80222	80223	80224	80225	80226	80227	80228	80229	80230	80231	80232	80233	80234	80235	80236	80237	80238	80239	80240	80241	80242	80243	80244	80245	80246	80247	80248	80249	80250	80251	80252	80253	80254	80255	80256	80257	80258	80259	80260	80261	80262	80263	80264	80265	80266	80267	80268	80269	80270	80271	80272	80273	80274	80275	80276	80277	80278	80279	80280	80281	80282	80283	80284	80285	80286	80287	80288	80289	80290	80291	80292	80293	80294	80295	80296	80297	80298	80299	80300	80301	80302	80303	80304	80305	80306	80307	80308	80309	80310	80311	80312	80313	80314	80315	80316	80317	80318	80319	80320	80321	80322	80323	80324	80325	80326	80327	80328	80329	80330	80331	80332	80333	80334	80335	80336	80337	80338	80339	80340	80341	80342	80343	80344	80345	80346	80347	80348	80349	80350	80351	80352	80353	80354	80355	80356	80357	80358	80359	80360	80361	80362	80363	80364	80365	80366	80367	80368	80369	80370	80371	80372	80373	80374	80375	80376	80377	80378	80379	80380	80381	80382	80383	80384	80385	80386	80387	80388	80389	80390	80391	80392	80393	80394	80395	80396	80397	80398	80399	80400	80401	80402	80403	80404	80405	80406	80407	80408	80409	80410	80411	80412	80413	80414	80415	80416	80417	80418	80419	80420	80421	80422	80423	80424	80425	80426	80427	80428	80429	80430	80431	80432	80433	80434	80435	80436	80437	80438	80439	80440	80441	80442	80443	80444	80445	80446</th

Statement showing the con-

三

	1905-06.	1906-07.	1907-08.
In thousands of gallons (a.)			
1905-06.			
1906-07.			
1907-08.			

(a) Except where otherwise stated,	..	481	169
(b) The figures are in proof Gallons.			
(c) In the absence of details of imports of locally manufactured "foreign" spirit from the Punjab,			
(d) The figures represent imports have been included in Statement B.			
1. Statement covering the duty realised on Potable spirit.			

Statement showing the duty realised on portable smelting furnaces and represent issues from local inventories have been included in Statement B.

as often European methods and taxes as

Statement showing the duty realised on potable spirits manufactured in India after European methods and taxed at rates higher than those imposed on country spirit.

(In lakhs of rupees.)

Province.	1905-06.			1906-07.			1907-08.			1908-09.			1909-10.			1910-11.			1911-12.			1912-13.			Province.					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27			
Madras	32	48	169	141	140	158	164	122	122	122	122	122	122	122	122	122	122	122	122	122	122	122	122	
Bombay	08	01	02	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Sind	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01	01
Bengal	180	141	166	161	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	
Bihar and Orissa	
Burma	285	192	203	224	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
United Provinces (a)	1182	222	149	112	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	
Punjab (including Delhi) (b)	
North-West Frontier Province	
Assam	
Central Provinces	
Berar	04	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05	05
Ajmer-Merwara	
Cooch	
Baluchistan	
Total	...	1686	010	006	038	040	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	048	
TOTAL.	

(a) The figures represent total receipts from duty realised on Rosa rum and similar spirits in the United Provinces, including that on spirits exported to other provinces.
(b) In the absence of data the figures have been included in Statement A.

Provinces.

Province,	Number of breweries in operation.										Production in thousands of gallons.										Quantity purchased by the Supply and Transport Department in thousands of gallons.				
	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	
Maharashtra	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Bombay (S)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Sind	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bengal	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bihar and Orissa	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Darma	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
United Provinces (S)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Punjab (including Delhi)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
North-West Frontier Province	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Assam	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Central Provinces	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Bengal	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Ajmer-Merwara	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Gopalganj	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Torpa	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Total	23	22	21	20	21	22	21	21	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	

(a) Figures not available.
(b) These figures are for financial years.

Statement showing the duty realised on country beer in the different provinces of India.

(In lakhs of rupees.)

Province.	Province.					1912-13.						
	1905-06.	1906-07.	1907-08.	1908-09.	1910-11.							
1	2	3	4	5	6	7	8	9	10	11	12	13
Madras
Bombay...
Sind
Bengal
Bihar and Orissa
Burma
United Provinces
Punjab (including Delhi)
North-West Frontier Province
Assam
Central Provinces
Berar
Ajmer-Merwara
Coorg
Baluchistan
Total ...	2.88	2.73	2.94	5.40	5.08	5.88	6.72	6.65	6.65	6.65	6.65	6.65

J. *Environment showing the renovation*

Statement showing the revenue realised from toddy (tari) and the number of shops for its sale.

(a) The shop license figures exclude domestic consumption and hawking licenses and licenses for the sale of fresh fari, but include shops for the joint sale of country spirit and toddy, unless the latter have already been included in Statement C.

1

Statement showing the

Statement showing the revenue realised from and the consumption of hemp drugs, and the number of shops for their sale.

I. Statement showing the revenue realised from and the consumption of opium and its preparations, and the number of shops for their sale.

Provinces.	Revenue, in lakhs of rupees (1).		Revenue, in lakhs of rupees (1).		Revenue, in lakhs of rupees (1).		Revenue, in lakhs of rupees (1).	
	1	2	3	4	5	6	7	8
Madras	"	"	1,211	3770	373	372	745	1,121
Bengal	"	"	816	35.37	470	116	572	431
Bihar and Orissa	"	"	271	8.65	146	177	201	179
Burm	"	"	1,173	6360	12.11	453	27.53	61.71
United Provinces	"	"	620	29.40	542	20.3	61.51	26.93
Punjab (including Delhi)	"	"	1,223	65.02	6.72	42.24	17.6	26.73
North-West Frontier Province	"	"	1,350	34.62	173	4.53	6.67	4.67
Assam	"	"	316	10.9	15	15	16.47	10.67
Central Provinces	"	"	753	24.36	14.47	10.11	10.11	10.11
Rajp	"	"	1,162	29.29	3.33	2.77	19.2	17.12
Ajmer-Merwara	"	"	431	17.13	2.24	2.59	2.59	2.59
Gong	"	"	65	3.74	1.12	1.15	1.15	1.15
Himachal	"	"	3	1.01	0.20	0.14	0.14	0.14
Total	"	"	6,457	403.67	6713	22.45	131.94	65.01

To continued.

(1) This is the Revenue from the sale of opium and its preparations, exclusive of the amount received by the Government of India from the sale of opium and its preparations.

(2) Total.

(3) Total.

(4) Total.

(5) Total.

(6) Total.

(7) Total.

(8) Total.

(9) Total.

(10) Total.

(11) Total.

(12) Total.

(13) Total.

(14) Total.

(15) Total.

(16) Total.

(17) Total.

(18) Total.

(19) Total.

(20) Total.

(21) Total.

(22) Total.

(23) Total.

(24) Total.

(25) Total.

(26) Total.

(27) Total.

(28) Total.

(29) Total.

(30) Total.

(31) Total.

(32) Total.

(33) Total.

(34) Total.

(35) Total.

(36) Total.

(37) Total.

(38) Total.

(39) Total.

(40) Total.

(41) Total.

(42) Total.

(43) Total.

(44) Total.

(45) Total.

(46) Total.

(47) Total.

(48) Total.

(49) Total.

(50) Total.

(51) Total.

(52) Total.

(53) Total.

(54) Total.

(55) Total.

Statement showing the revenue realised from and the consumption of opium and its preparations, and the number of shops for their sale.

(a) The shop license figures include temporary shops.

M.

Statement showing the incidence of total taxation on hemp drugs.

Provinces.

Provinces.	Total revenue derived from hemp drugs, in lakhs of rupees.												Province.		
	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.
Madras	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Bombay	"	"	"	"	4.20	4.40	4.77	5.07	5.11	5.23	5.40	5.52	5.63	5.74	5.85
Sind	"	"	"	"	3.31	3.90	4.10	4.30	4.50	4.70	4.90	5.05	5.21	5.31	5.41
Bengal	"	"	"	"	2.60	2.96	3.12	3.32	3.43	3.53	3.63	3.73	3.83	3.93	4.03
Bihar and Orissa	"	"	"	"	2.270	2.100	2.301	2.361	2.433	2.501	2.570	2.630	2.693	2.752	2.811
Barma	"	"	"	"	16.04	16.56	16.08	16.91	17.01	17.07	17.20	17.24	17.33	17.42	17.51
United Provinces	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Punjab (including Delhi)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
North-West Frontier Province	"	"	"	"	10.00	18.07	18.09	18.09	18.09	18.09	18.09	18.09	18.09	18.09	18.09
Assam	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Central Provinces	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Deyar	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Ajmer-Merwara	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Gorakhpur	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Dahukhistan	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"
Total	"	"	"	"	82.00	84.02	86.28	89.41	93.73	99.71	109.14	116.37	120.00	124.17	129.20

Statement showing the incidence of total taxation on hemp drugs.

North.

Rashtrapati.

Alver-Merwara.

Central Provinces.

Assam.

North-West Frontier Province.

Bihar and Orissa.

United Provinces.

Barma.

Bengal.

Bihar and Orissa.

Incidence of the total revenue derived on each seer of hemp drugs consumed in rupees.

South.

Central Provinces.

Assam.

North-West Frontier Province.

Bihar and Orissa.

United Provinces.

Barma.

Bengal.

Bihar and Orissa.

N.

Statement showing the incidence of total taxation on opium and its preparations.

Total revenue derived from opium and its preparations, in lakhs of rupees.

Incidence of the total revenue derived on each year of opium and its preparations consumed, in rupees.

Province.	Total revenue derived from opium and its preparations, in lakhs of rupees.												Province.						
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Madras	"	"	"	7'45	7'92	8'03	11'40	12'64	13'25	15'21	19'80	20'70	21'00	20'92	25'80	30'47	32'01	38'48	
Bombay	"	"	"	5'72	5'43	5'07	6'53	6'68	6'59	8'43	11'07	10'10	14'61	14'42	15'22	14'72	13'00	18'35	20'37
Bihār	"	"	"	2'03	1'93	2'04	2'09	2'20	2'31	2'41	3'04	22'80	19'92	19'25	20'78	22'72	22'41	23'20	31'34
Bengal	"	"	"	10'73	19'43	20'31	21'40	19'34	20'04	22'63	23'63	28'07	20'87	28'05	28'20	29'00	31'73	33'70	31'80
Bihar and Orissa	"	"	"	0'02	8'40	8'80	8'06	9'04	9'10	9'69	10'00	31'70	28'10	27'41	27'18	25'00	25'80	26'36	27'15
Burma	"	"	"	42'28	40'37	41'44	37'23	35'12	33'10	30'32	37'30	53'01	54'02	68'81	69'16	67'10	67'30	57'08	78'20
United Provinces	"	"	"	8'17	8'47	8'47	8'55	9'35	10'74	11'12	11'90	12'87	12'30	12'43	13'40	13'94	17'37	17'40	18'40
Punjab (including Delhi)	"	"	"	0'48	7'30	7'74	8'80	8'74	10'00	11'04	12'24	11'92	12'18	12'73	14'48	14'00	16'87	17'30	18'30
North-West Frontier Province	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	North-West Frontier Province.
Assam	"	"	"	10'82	21'33	23'61	23'05	24'80	25'20	27'35	35'27	34'08	36'31	36'74	38'38	40'77	41'97	44'16	Assam.
Central Provinces	"	"	"	0'73	7'08	6'95	7'43	7'08	6'58	9'60	11'24	22'01	24'75	23'12	26'57	27'92	26'02	28'03	32'58
Rorar	"	"	"	5'00	5'70	6'23	5'49	5'85	6'78	6'43	7'17	33'73	28'30	27'90	31'40	33'24	20'03	32'40	Hear.
Ajmer-Merwār	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	12'60	10'78	Ajmer-Merwār.
Gōtāg	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	10'50	9'81	Gōtāg.
Dalchhītān	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	14'20	16'07	Dalchhītān.
Totāl	"	"	"	132'69	135'90	140'31	141'00	146'22	151'52	172'57	27'25	20'01	27'20	28'21	27'55	29'30	30'30	34'33	Total.

Statement showing the incidence of consumption of opium and its preparations.

Province.	Consumption of opium and its preparations, in thousands of rupees.																Province.			
	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.	1005-06.	1006-07.	1007-08.	1008-09.	1009-10.	1010-11.	1011-12.	1012-13.				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
Madras	37'40	38'10	39'10	40'27	41'40	41'30	30'53	30'98	30'68	103'45	121'05	116'39	100'17	95'93	95'43	Madras.		
Uttarayan	35'33	37'28	41'40	42'01	45'39	45'05	44'26	29'57	24'20	270'18	270'30	205'37	202'39	205'17	274'60	Bombay.		
Sind	8'88 ¹	9'60	10'90	10'98	10'31	10'30	9'70	276'55	301'78	330'13	318'30	316'03	295'70	376'12	Sindh.		
Bengal	53'60	61'70	70'90	75'06	01'66	05'04	60'73	07'00	141'81	116'84	105'74	180'76	163'05	143'68	149'80	Bengal.		
Bihar and Orissa	28'40	28'80	32'10	31'90	35'00	35'27	36'38	37'05	86'44	89'05	90'07	95'85	101'00	103'21	105'43	Bihar and Orissa.		
Burma	78'30	74'73	70'40	69'93	61'41	67'78	63'12	47'70	853'27	913'43	706'05	684'03	668'37	648'87	604'22	Burma.		
United Provinces	65'82	68'80	68'13	68'91	67'07	61'82	61'81	45'37	138'07	134'45	132'92	133'85	140'00	129'98	131'05	United Provinces.		
Rajputana (including Delhi)	63'82	60'01	60'81	61'41	60'50	63'37	63'48	63'54	280'33	284'63	280'11	203'07	202'67	311'71	317'80	Rajputana (including Delhi).		
North-West Frontier Province	31'0	20'1	30'0	32'4	3'03	2'74	2'82	5'71	140'95	124'53	114'94	157'55	142'92	129'25	123'90	North-West Frontier Province.		
Assam	60'30	60'95	60'10	63'90	60'03	60'31	60'10	61'93	376'01	1,038'34	1,148'81	1,111'13	1,043'80	1,017'76	908'95	935'22	Assam.	
Central Provinces	20'38	25'01	30'10	27'96	29'00	32'98	34'57	34'50	316'10	300'77	325'86	302'70	311'07	357'86	318'85	317'71	Central Provinces.	
Bihar	17'49	10'70	18'05	17'35	17'00	10'31	10'70	10'98	635'08	717'50	698'00	633'63	630'07	701'16	647'37	653'58	Bihar.	
Amber-Nawara	3'03	2'60	2'17	2'06	2'65	2'78	2'00	2'84	637'33	617'83	565'60	534'50	551'80	630'83	565'87	630'87	Amber-Nawara.	
Coorg	0'3	0'1	'08	'07	'07	'06	'06	16'97	23'10	33'15	38'07	38'07	38'15	28'57	34'20	Coorg.	
Nalchikhan	78	170'93	161'60	160'15	146'77	160'05	149'70	171'50	168'41	Nalchikhan.
Total (a)	...	125'57	103'62	81'80	61'25	50'07	50'10	60'97	50'85	200'85	215'33	235'80	221'00	217'10	208'47	208'45	207'60	Total (a).		

(a) The figures in columns 10 to 17 have been calculated on the basis of the population of Burma as shown in Imperial Form V of the Exotic Administration Report.

Enclosure No. 17.

**STATEMENT submitted by Deputation to His Excellency
Baron Hardinge of Penshurst, P.C., G.C.B., G.M.S.I., G.M.I.E.,
G.C.M.G., G.C.V.O., I.O.M., Viceroy and Governor General of
India, relative to Excise Administration in the Indian
Empire.**

May it please Your Excellency,

1. We, the representatives of the Temperance organizations in India, and of a much larger community deeply interested in the important relation that drinking habits bear to all questions of national and social regeneration, desire first of all to express our deep gratitude for the privilege Your Excellency has granted us of this interview.

2. The Honourable Dr. Deva Prasad Sarvadhikary as President of the Ninth All-India Temperance Conference, Bankipur (at which a resolution was adopted requesting Your Excellency kindly to receive this Deputation), has, we understand, already acquainted Your Excellency with the spirit in which, and the purpose for which, we have humbly sought Your Excellency's presence. In regard to that department of administration in which this Deputation and those that it represents are more directly interested, we welcome the oft-repeated declaration of Government that it is their desire to minimise temptation to those who do not drink, and to discourage excess among those who do. Provincial Governments cannot possibly wish to spread the habit of drinking or drug-taking at the same time that they seek the material and moral improvement of the people. But while gratefully admitting all that can be urged in favour of the Excise administrations of provincial Governments in dealing with the many and complex problems by which they are faced, we desire to submit for Your Excellency's consideration a non-administrative view of what many of the best informed leaders of the people begin to regard as one of the greatest evils facing modern India to-day. It is the steady growth of the drink and drug habit. If our contention be admitted, we respectfully submit that the subject is of such vital importance to the future well-being of all classes of the people in every province, and to the cause of order and progress, that it demands an independent and comprehensive enquiry into both the causes and the remedies for the evil set forth.

3. Your Excellency has had official intimation of the Deputation that waited upon the Most Noble the Marquess of Crewe, K.G., at the India Office, Whitehall, on the 18th July, 1912, and we understand that the proceedings of that interview and the Statement drawn up by Sir Herbert Roberts, Bart., M.P., in connection therewith, is still engaging the attention of Your Excellency's Government. We do not therefore feel it necessary to recapitulate the facts, figures and arguments urged on that occasion, but rather to deal with the present situation, and briefly to set forth a policy of reform for which we humbly ask Your Excellency's sympathetic consideration.

4. What is the present situation? The administrative Excise reforms recommended by the Excise Committee of 1905 have been partially adopted. These administrative reforms have secured substantial revenue increases in almost every province—so much so that the Honourable the Finance Minister in his Financial Statement for 1913-14 budgets for a net increase of revenue of thirty-seven lacs in all provincial areas (Appendix I). He states, however, that for certain reasons "provision has generally been made only for a moderate growth of revenue in 1913-14". This moderate growth of revenue is a fair financial expectation based upon the steady and, to the Temperance view, alarming growth that has characterized revenue expansion during the years in which the machinery of administration has been receiving so thorough an overhauling with a view to great administrative efficiency. In this connection it appears to us significant that one Finance Secretary in a province that leads the Empire in successful Excise administration, pointed out last year that one-half

of the annual increase of the total revenue for his province came from Excise, and that if these sources ceased to expand it would be quite impossible to continue to find money for the improvement of Education, Public Works, Irrigation, Agriculture and other objects of expenditure in his Presidency. The figures in Appendix II give the increase in revenue receipts, and net revenue income for eleven years. During this period the receipts from all taxation have only risen about 25 per cent, whereas in the same period the liquor receipts have increased by more than 80 per cent. Put in another way the Excise revenue in 1901-02 was only about one-fifth of the total taxation receipts, while last year it had risen to nearly one-third. Since 1904 it has become the largest item of revenue and seems likely to remain in that position. Diagrams I and IV may also be referred to in this connection.

5. Expansion in consumption of both drink and drugs has risen concurrently with expansion in revenue, and the dictum of the Secretary of State for India in 1907, that "there was an undoubted increase in the drinking habits of the people" is now admitted in every Excise Administration Report that is published—the only difference of opinion being upon the causes and extent of the increase. The latest figures for all provincial areas of the consumption of country liquor, which is rightly regarded as the principal index to the growth of the liquor habit among the people, are conclusive proof of great expansion. In the distillery areas of the various provinces the actual consumption of this liquor has in ten years increased by very high percentages (Diagram III and Appendix III). If an analysis is made of the average sale per shop in the major provinces, comparing 1902 with 1912, the increases vary from one hundred to four hundred per cent. Other alcoholic liquors such as tari, pachwai and foreign liquor are also extensively consumed, and while it is admitted that the price of one reacts to some measure upon the consumption of others, Excise Administration Reports show expansion in the consumption of all. The remarkable absence of accurate data as to the extent of consumption is one outstanding feature of the present situation.

In regard to drugs, provincial Excise Reports are constantly mentioning large expansions in consumption, e.g., the consumption of cocaine is a growing evil of a particularly deleterious character in Bengal and the United Provinces, where the Excise Commissioner also states the rise in drug consumption gives cause for alarm. Other drugs seem in other areas to be getting a steadily growing constituency. Side by side with these facts it is clear that social changes of a deep and far-reaching character are going on in the cities and villages of the Empire, and those in closest touch with these changes report that among the educated classes of the community, also among the lower castes of Hindus and to some extent among the great middle-classes, there is a steadily increasing tendency towards the indulgence in drinks and drugs that did not exist ten years ago.

6. Equally patent is the fact of the rapid change in the Empire's economic life and in the industrial conditions that give rise to a steady flow of workers from village to city life, from agricultural to industrial conditions, though it is easy to exaggerate the numerical significance at present of this fact. The Empire is passing through a period of comparative prosperity—itself a temptation to indulgence—and there has been evident to all investigators an incipient breaking down of caste regulations and of religious restrictions that have through past centuries been bulwarks of the temperate life of India's millions. Hence we are not surprised at a statement made by the Commissioner of Excise in Bengal for 1912-13, that the large increase in Calcutta in the consumption of country liquor occurred in the neighbourhood of markets, docks, mills, factories and in localities inhabited by prostitutes mainly due, he thought, to general prosperity. The same might be predicated of all the Presidency and other large cities of the Empire. When the situation is fairly faced it seems impossible to come to any other conclusion regarding the Empire than that to which the Lieutenant-Governor of the Punjab was driven in his investigation of the conditions in his own province. "There can be no doubt that the chief cause of the growth of the revenue is the increase of consumption and the spread of the liquor habit. It can only be concluded that apart from the very serious increase of drunkenness in certain districts, such as Ferozepur,

the number of persons who have acquired the habit of indulgence is steadily increasing throughout the province."

7. Your Excellency is, no doubt, aware of the difference of opinion that has existed for years between official and unofficial opinion upon the question of the causes of this growth of consumption. There is no question in which Temperance workers are more deeply interested and to which they have given more constant and earnest consideration. The official view may be summed up by saying that enhanced consumption, wherever found, is due—

- (1) to the prevalence of favourable economic conditions,

- (2) to stricter Excise control, especially over illicit production, and

- (3) to the increase of population.

The non-administrative view which the members of this Deputation may be said to represent accepts the above reasons as explaining a proportion of the enhancement of consumption, but as not justifying its large and increasing growth, nor recognizing its social significance. Your Excellency will not misunderstand our frankness when in view of our privilege of presenting our case in person before you, we would add to the official explanation :—

- (i) The direct action of the Imperial Government in budgeting, upon the estimates prepared by provincial Excise Departments, large annual increases in revenue, and thus making fiscal consideration so important an element in provincial Excise administration.
- (ii) The administrative procedure in provincial areas which places licensing functions under the control of the Revenue Department, which must from the nature of things be mainly interested in the efficiency of its own working and in the production of the revenue anticipated by the Imperial as well as its own provincial Government.
- (iii) The general system of licensing, which gives the greatest inducement to all vendors to sell as much as possible. The high proportion which revenue from license fees bears to the total taxation on both liquor and drugs definitely encourages the enhancement of consumption. At the same time the interest of the vendors in increased sales is also a continual stimulus to the consumption.
- (iv) The apparent inability of provincial Governments to deal with the problems of the number and location of drink and drug shops in any method inducing restriction of consumption.
- (v) The location in urban areas of shops for the vend of liquors and drugs on sites infringing Excise Manual Rules, and affording direct temptation to all classes of the community, especially the working classes. And finally,
- (vi) The ignorance of the majority of the classes concerned regarding the dangers incident to even a moderate use of the drink and drugs offered so widely for their acceptance.

It will be seen therefore that while the official view suggests that the increase in alcohol and drug habits depends largely on material conditions and only partially on Excise administration, Temperance advocates lay stress upon the changes and developments of the present Excise policy as being the greater factor in what both admit to be a complex and serious problem.

S. We would not dwell at any length upon the dangers, social and economic, that lie before this Empire should a rapid expansion in consumption fix the habit of drug and drink taking upon the people. We do not believe the habits of the people need yet be characterized as intemperate. Statistics about convictions for drunkenness are as yet of comparatively little value, and indeed much of the statistical information is for the purposes of an inquiry into the progress of drink and drug habit in India of no help whatsoever. We agree with the Commissioner of Excise for the Central Provinces when he states that

until we reach the stage of a village census showing the number of people who actually drink, the population basis of statistical returns appears to be useless, if not misleading. The whole subject of statistical standards of area and population needs investigation. The figures for conviction for drunkenness in provincial areas (see Appendix V) for 1909-11 show a slight increase, but such figures only relate, as is pointed out in the Excise Report for Burma, to areas in which special Acts to deal with drunkenness are in force. Their object is to give an accurate view of facts in selected places rather than an inaccurate view over the whole Empire. The connection between drunkenness and conviction for drunkenness is not very close. The result of an investigation into tari drunkenness went to show that it was a stupefying rather than an exciting drink. The same may be said of the cocaine habit. The vast majority of alcoholic excesses especially among aboriginal tribes do not amount to a public nuisance leading to Police attention, and we are therefore precluded from drawing any clear conclusions as to the dangers of a large increase in intoxication, resulting from the spread of the habit of drinking which may not at the present time have formed a sufficient hold on the community to lead them to excess. An inquiry which included this aspect of the problem would be of exceptional sociological and administrative interest. It is rather such dangers as experience has proved to be connected with the spread of the drink habit in Western nations that we would emphasize. Money spent on drink and drugs is money wasted, and the poorest of the people who have no real need or justification for drinking are usually those most impoverished. Whatever pleasure may be derived from the habit, centuries of testimony show pauperism, disease and crime are distinctly traceable to it. All civilized States guard children from unnecessary contamination with its evil effects. A growing and serious problem in India connected with the drink and drug habit is slowly immersing on the horizon of this Empire's vast life. This is the deliberate conviction of those who believe they have the fullest opportunity of seeing things as they really are below the surface of the people's social progress.

9. We pass on to lay before Your Excellency various suggestions that we believe would help to promote an advance in Temperance among the people of the country. We approve of the policy that has been one clear outcome of the reforms suggested by the Excise Committee, that of making the tax on liquor as high as it is possible to raise it without stimulating illicit production. We understand, however, that this has not been raised as high as it might have been, because it is considered necessary that the tax on country liquor should not exceed that on foreign liquor. We are in hearty sympathy with all the legislation that aims at more effective and real consultation with local opinion through local Advisory Committees, and trust that the opinion expressed by the Noble Marquess of Crewe is in accord with Your Excellency's views in his statement :—“ Indian Excise is one of the administrative matters on which I shall look for much provincial and local devolution, with the hope that ultimately it may be possible to go very far indeed in the direction of local control.” We view with satisfaction the change that has been manifest since control. We view with satisfaction the change that has been manifest since Your Excellency came to India, in the greater regard of certain provincial Excise administrations, of which we would specially mention Bengal and the Punjab, for Temperance movements and those specially interested in Temperance reform. We believe that it is along the lines not of uninformed criticism from either side, but of sympathetic co-operation, that the best results will follow. Real reform must come from among the people themselves, while the provincial administrations can render great assistance if they are keen not only to prevent the spread of intemperance but to minimize temptation to those who do not drink. May we then briefly touch on the reforms we regard as of urgency, if the growth of the drink and drug habit is to be checked ?

10. For many years we have been urging the desirability of some advance
The separation of the licensing from the revenue functions, and the Secretary functions of Excise administration.
 of State for India in his reply to the Deputation said that he would be glad to see the dual function disappearing. There are obvious practical difficulties but they are not insurmountable. If the executive officer in charge of a district could be relieved of other Excise responsibilities apart from the charge of the

licensing functions and with the assistance of the Advisory Committees direct his main attention to the carrying out of the principles laid down by the Government of India in its Excise policy, undue weight to considerations of revenue would be no longer so necessary. District Excise officers dealing with revenue and other administrative functions could be placed under the supervision of some other officer. We believe this to be an initial step in securing greater control over the rapid spread of the drink and drug habit.

11. We would respectfully urge that the powers and functions of *Advisory Local Advisory Committees* Committees be reconsidered in the light of the modern conditions we have set

forth. The limitation of facilities, the number and sites of liquor and drug shops, curtailment of hours of sale and other reforms directly affecting consumption will follow if increased powers are transferred to local Excise Committees. And admitting that it is necessary to provide for retention by Government itself of the ultimate responsibility in such matters, we should approve the policy of the present system in giving official members a majority on these Committees, provided executive powers are entrusted to them. May we suggest, however, that as *Advisory Committees* retaining the safeguard from the official standpoint of the Commissioners' or Collectors' veto, they should be made more representative of local opinion, in every possible case contain a majority of non-official members, be consulted more frequently, be empowered to deal with all licenses for the sale of both liquors and drugs, and as soon as possible be extended to every municipal town and also to areas outside municipalities. It would also be very useful to have powers given to the members of these Committees to visit and inspect at any time, premises licensed for the sale of liquors or drugs. This would give friends of Temperance the opportunity of helping the Administration in having its rules carried out.

In asking for these additional opportunities of giving local opinion as to the number and sites of shops greater emphasis, may we point out that the effect during the short period that the system of local *Advisory Committees* has been in force has been little more than the closing of unprofitable shops and the shifting of a few objectionable sites? It has not touched the problem of expanding consumption.

12. We respectfully request that the auction system of vend should be succeeded as soon as possible by some such system as the Bombay Government

The auction system of vend.
is seeking to introduce, by which the licensee-holder is not compelled to push his trade and sell the maximum amount of liquor or drug possible during the period of his holding the license. The Administration Reports from provincial Governments for 1911-12 give instances of the various pernicious effects of the present system.

Bengal.—“In the 24-Perganahs immediately after the auctions in March 1911 a large number of petitions was filed for reduction of fees, and it was then observed that the fees had been allowed to rise to a limit which made it difficult for vendors to work on honest lines at the maximum price fixed for country spirit.”

Bihar and Orissa.—In Shahabad the sales were settled with the highest bidders though the figures reached a limit beyond which no profit would be made. The Collector “subsequently proposed to reduce the license fees on the ground that they would not admit of the shops being worked without heavy loss, unless there was an enormous increase in consumption; but the proposal was disallowed by Mr. Oldham, who has made the following remarks in forwarding the Shahabad Administration Report as Divisional Commissioner: ‘In my opinion the settlements were mismanaged. At the same time it is entirely opposed to the expressed principles of the Government of India's policy that the fees once settled at public auction should be subsequently altered. The abkars bid at the sale with full local knowledge, and if they paid too high they should accept the consequences and learn a salutary lesson for the future.’” The public aspect of this unfortunate business was an increase in consumption of country liquor for the district of 24,956 gallons L. P.!

Central Provinces and Berar.—“In Raipur good harvests no doubt stimulated competition and there was probably wild bidding at the auctions, as

reported by the Deputy Commissioner. A few shops had to be re-sold soon after the auctions and Rs. 2,000 had to be remitted."

Burma.—The increase in license fees in Rangoon Town for sale of imported liquors—Rs. 1,59,308—is "intrinsically unjustifiable in view of the slight rise of imports, but is due to the competition of two Chinese factions who were more concerned in outbidding their rivals than in considering the probable losses or profits of the business. The same competition caused a rise in license fees for country beer shops of Rs. 2,13,800."

Such evidence from the official Administration Reports for 1911-12 shows that the auction system of vending fees forces increased consumption, induces illicit practices, and gives a speculative value to each shop that without doubt forces the vendor, if he wishes to make money, to spread his custom in any and every direction. It is surely possible to introduce a system such as that suggested by the Excise Committee, which will save the Government of India from the evils attendant on the fixed fee system of Western nations with its undesirable security of privileges to the vendors. We respectfully submit that the Government of provincial areas cannot make the auction system carry out the avowed policy of Your Excellency's Government of minimizing temptation to those who do not drink.

13. The problem of sites is a very important factor in encouraging or discouraging consumption. We ask

The location of drink and drug shops.

no more than that the Bengal rule be

carried out. It prohibits the presence of shops in a bazaar or at the entrance to a bazaar, or near a bathing ghat, school, hospital, place of worship, factory, workshop, or tea-garden, or in the interior of a village. Most other provincial Administrations have a similar counsel of perfection as to sites of licensed premises, which are broken in both letter and spirit in innumerable cases. The problem is to meet the just demand of the moderate drinker without encouraging the habit among those who do not drink. In our Presidency Cities, departmental rules as to location are broken in from 20 to 40 per cent of cases, and the authorities reply that their attempts to secure sites to which the rules would apply, and to which local objection would not be raised, always end in insuperable difficulties, so that the present objectionable sites have to be retained. Our reply has been that if the site itself is against rules and objectionable for that reason, the license should be revoked until a proper site was forthcoming. We would respectfully ask Your Excellency to suggest to all provincial Governments that the prescribed rules regarding sites must be observed.

14. The spread of the liquor and drug habit is encouraged by the multiplication of facilities as well as by the

The number of licenses.

site of shops. It is a matter of satisfac-

tion that there has been a steady decrease in the grant of facilities (Diagram II and Appendix IV), but the result of that decrease has not been to check consumption. If local Advisory Committees be given greater powers and the question of facilities be more fully entrusted to their judgment as well as to the judgment of the Revenue officers, we should anticipate a greater restriction on liquor and drug consumption, which as we have endeavoured to show is eminently desirable.

15. Different regulations are in force all over the Empire regarding hours of sale. We believe this to be necessary

Hours of sale.

by the differing conditions. But in the

interest of the working classes much more might be done to prevent the enhancement of consumption. The Commissioner of Excise, Bombay, reports that "the early closing of shops has had a marked effect on consumption," and "the late opening, *viz.*, 9-30 A.M., prevents mill-hands and labourers generally from drinking before going to their work." It is not desirable to deal with the hours of sale in a way to drive customers to obtain their drugs or drink from illicit sources; but we believe a welcome reform would be to close all premises licensed for the vend of liquor or drugs on Sundays, on the occasion of religious fairs and festivals, and at such hours morning and evening

as shall be in the general interests of the community as well as to the best advantage of the consumer.

16. We would recommend further that the Educational Department of all provincial Governments be requested to see that special instruction in Temperance principles and the evils of the abuse of drink or drugs be given in the class books dealing with general hygiene and physiology or in the recognized Readers. Anti-alcoholic education in schools.

We are glad to say that the opinion of Your Excellency's Government in letter No. 730—737 of 12th September, 1907, "that a few sensible lessons on the subject of Temperance should be included in the sanctioned Readers in schools" has led to some slight response in one or two provincial areas. But we believe the ultimate effect would be more beneficial to the people at large that we press for a definite order requiring oriental Temperance teaching in all schools and colleges, not indeed by way of discouraging intemperance among the students, for no such society happily exists—but by way of affording them greater light regarding the effect of alcohol, and by encouraging them to combat the evil whatever it exists, which unfortunately is in most cities and towns in India.

17. We desire further respectfully to remind Your Excellency that Governments in Webs countries without the intimate connection in Excise

Counters attractions to temperance. matters between themselves and the classes they govern found in India, regard some expenditure of funds in the way of preventive action permissible and prudent. In view of the enormous revenue the provincial Governments obtain from Excise administration, we would suggest the setting aside of a grant for some positive measures in order to prove to the people that Government is on the side of abstinence. We would suggest that the long-felt want of a hospital for inebriates might be met, that parks and open spaces in our cities now so delightful a feature in our civic life, might be made still more attractive by music: municipalities might be aided, where appropriate, to establish Tea and Coffee shops. We have learned with supreme gratification that Your Excellency has quite recently given orders for promotion of facilities for Common Rooms for Indian clerks in Simla and Delhi, which will not only prove a great boon to those immediately concerned, but are instructive object lessons in innocent recreation which may be copied elsewhere with success and effect.

Major Bedford in his report on Alcoholic Liquors in India states (page 97): "The idea seems very prevalent that alcoholic liquors tend to prevent cholera and plague, and in the terai it also stated malaria. This is a specially pernicious popular delusion, for over-indulgence in alcohol markedly tends to lower the individual's resistance to all these, in common with other acute and specific diseases." Might not provincial Governments adopt some means, by the issue of leaflets in the vernacular, to acquaint the village population with this and similar facts? We accept the position that the promulgation of Temperance among the masses of the people is a matter for private effort and enterprise, but it can hardly be denied that at least some of the revenue obtained from Excise administration aiming at minimizing temptation and discouraging excess might be used for the more positive accomplishment of that end, particularly on lines that responsible medical officers of Government, like Major Bedford, have not hesitated openly to proclaim in official documents.

18. We would also urge the growing importance of securing more accurate data in regard to the consumption of liquors and drugs.

Statistics of consumption of liquors and drugs. The consumption of country spirits is recorded in terms of a definite standard—the London Proof gallon, made possible by the Central Distillery System or the system of Contract Supply; but all areas under an outstill system furnish no statistics—and cannot do so—upon which reliance can be placed. Statistics of the consumption of foreign liquor are unobtainable. The amount of duty paid is accurately recorded, but when and where the liquor is consumed Excise administration has devised no means of checking. In districts where liquors other than country or foreign may be manufactured

for home consumption no one knows the amount consumed. It need hardly be stated that the actual quantity of illicit liquor of any kind manufactured and sold defies computation, suggesting the need of strengthening Excise establishments to forcibly suppress consumption stimulated illegally. It is clear, therefore, that upon the data at present secured in statistical returns the extent to which the drug habit is competing with the liquor habit cannot be gauged in any satisfactory manner, any more than the growth of the drink habit in its full extent and seriousness can be measured. We would respectfully submit that among the serious social problems in India to-day the substitution of one form of intoxicating liquor for another or of drugs for liquor is important enough to demand fuller and more reliable statistical data of the consumption of all liquors and all drugs.

19. We have noted the fear expressed in recent provincial Excise Reports

The relation of the drug to the drink habit.

that any attempt to make drink harder to obtain or more expensive is likely to

drive consumers to more deleterious drug habits. The growth of the opium habit in Assam, the tendency in some tracts of the Central Provinces and Berar to substitute ganja as cheaper than liquor, and the extraordinary statement from the same area that 40 per cent of the total consumption of opium is due to what is given to children under three years of age; the spread of the cocaine and morphia habits in Burma and of the cocaine habit in the United Provinces and Bengal where even menial servants, coolies and labourers are being affected, all suggest the necessity of a closer study of the conditions that prevail in the relation of the drug to the drink habit and of more effective Police control and Magisterial vigour. Both vices are growing, both need checking, and it is in the power of the Administration to secure the fuller data desirable, and apply the restriction necessary.

20. In conclusion we desire to re-affirm our conviction that the Administrator and the Temperance reformer have a common aim—the highest material and moral welfare of the community—and to some extent similar ideals in regard to the community in its relation to the drink and drug habit. The restriction of consumption is the crux of the situation, and in all the suggestions we have desired most respectfully to lay before Your Excellency in the above statement we have sought to keep in view the well-known ideals of Your Excellency's administration, which is to confer abiding blessings upon the masses of the people throughout the Indian Empire.

On behalf of the Deputation,

DEVA PRASAD SARVADHIKARY,

President, NINTH ALL-INDIA TEMPERANCE CONFERENCE, Bankipur.

Dated Calcutta, November 1st, 1913.

APPENDIX I.

	Anticipated net increase in Revenue from provincial revenues in the present year	1910-1911
Princely States
Imperial
Assam
Bengal
Bihar and Orissa
Bombay and Sind
Burma
Central Provinces and Berar
Gujarat
Punjab
United Provinces
Total

(See copy of Indian Finance Statement for 1910-1911, Part IV, page 143, from the figures of which the above are derived.)

APPENDIX II.

Revenue referred to in Part IV, 1910-1911

Receipts for liquor, drug and opium, from the following districts

Year	1910-1911	1909-1910	1908-1909	1907-1908	1906-1907	1905-1906	1904-1905	1903-1904	1902-1903	1901-1902
	R.	R.	R.	R.	R.	R.	R.	R.	R.	R.
1910-1911	16,51,171	16,51,171	16,51,171	16,51,171	16,51,171	16,51,171	16,51,171	16,51,171
1909-1910	9,84,20,371	9,84,20,371	9,84,20,371	9,84,20,371	9,84,20,371	9,84,20,371	9,84,20,371	9,84,20,371
1908-1909	9,58,10,224	9,58,10,224	9,58,10,224	9,58,10,224	9,58,10,224	9,58,10,224	9,58,10,224	9,58,10,224
1907-1908	9,36,80,714	9,36,80,714	9,36,80,714	9,36,80,714	9,36,80,714	9,36,80,714	9,36,80,714	9,36,80,714
1906-1907	8,81,56,697	8,81,56,697	8,81,56,697	8,81,56,697	8,81,56,697	8,81,56,697	8,81,56,697	8,81,56,697
1905-1906	8,56,57,121	8,56,57,121	8,56,57,121	8,56,57,121	8,56,57,121	8,56,57,121	8,56,57,121	8,56,57,121
1904-1905	7,76,51,150	7,76,51,150	7,76,51,150	7,76,51,150	7,76,51,150	7,76,51,150	7,76,51,150	7,76,51,150
1903-1904	7,49,57,102	7,49,57,102	7,49,57,102	7,49,57,102	7,49,57,102	7,49,57,102	7,49,57,102	7,49,57,102
1902-1903	6,58,89,954	6,58,89,954	6,58,89,954	6,58,89,954	6,58,89,954	6,58,89,954	6,58,89,954	6,58,89,954
1901-1902	6,16,57,816	6,16,57,816	6,16,57,816	6,16,57,816	6,16,57,816	6,16,57,816	6,16,57,816	6,16,57,816

(The above figures are taken from Statistics of British India for 1910-1911 and preceding years, Part IV, b, page 137.)

Net revenue income from Excise.

Year.	Net income in Rupees.	Net income in £.
1911-1912 ...	11,29,98,200	7,532,880
1910-1911 ...	10,43,60,685	6,957,379
1909-1910 ...	9,69,88,390	6,462,226
1908-1909 ...	9,47,06,685	6,313,779
1907-1908 ...	9,24,46,665	6,163,111
1906-1907 ...	8,75,81,930	5,835,462
1905-1906 ...	8,43,15,885	5,621,059
1904-1905 ...	7,94,87,945	5,295,863
1903-1904 ...	7,38,82,625	4,922,175
1902-1903 ...	6,56,07,495	4,373,833
1901-1902 ...	6,02,81,494	4,015,433

(The above figures are taken from the Return of net Increase and Expenditure of British India for 1901-12, pages 4-10.)

APPENDIX III.

Consumption of country liquor in gallons, L.P.

Province.	1910-11.	1911-12.	Increase in 1911-12.
Assam	211,594	238,947	27,353
Bengal	776,542	796,784	20,242
Bihar and Orissa	934,954	1,079,535	144,581
Bombay and Sind*	3,004,486	2,933,034	Decrease 71,452
Burma	25,200	26,788	1,588
Central Provinces and Berar	1,040,000	1,067,000	27,000
Madras	1,538,475	1,628,178	89,703
Punjab	554,047	565,233	11,186
United Provinces	1,329,271	1,538,504	209,233

*A review over a period of years shows, however, a large increase.

APPENDIX IV.

Licensed shops for the vend of drugs and liquor.

Year.	Drug shops.	Liquor shops.	Total.
1910-1911	
1909-1910	
1908-1909	
1907-1908	
1906-1907	
1905-1906	
1904-1905	
1903-1904	
1902-1903	
1901-1902	

(These figures are taken from the Statistics of British India for 1910-1911 and preceding years, Part IV, b, pages 186-187.)

APPENDIX V.

Statistics for convictions of drunkenness in municipal areas.

Province.	1909-1910.	1910-1911.	1911-1912.
Assam	
Bengal	
Bihar and Orissa	
Bombay and Sind	
Burma	
Central Provinces and Berar	
Madras	
Punjab	
United Provinces	

DIAGRAM I.—Showing increase in total Receipts from Spirits Opium, other drugs, beer, etc. for British India, 1900-01 to 1910-11.

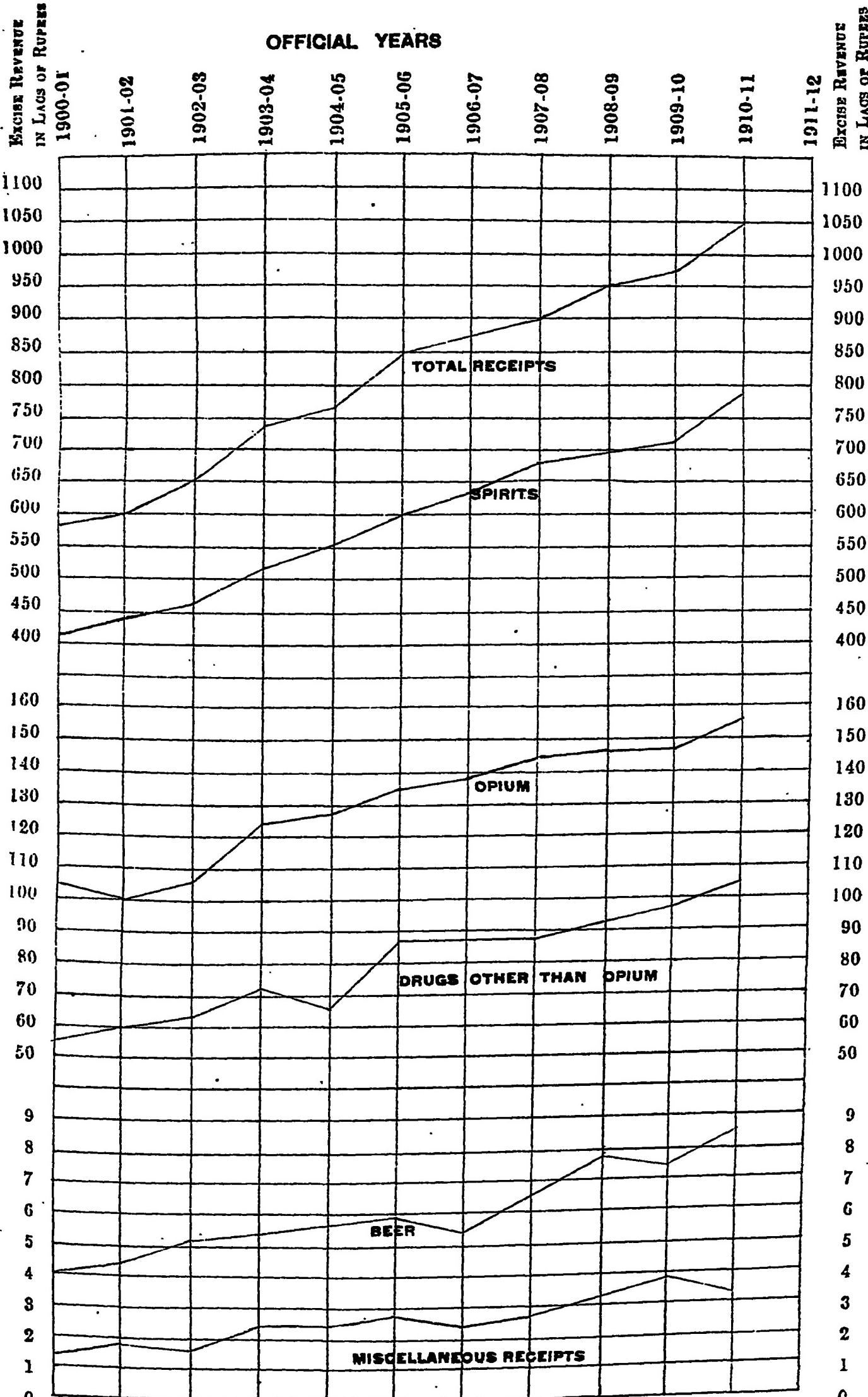
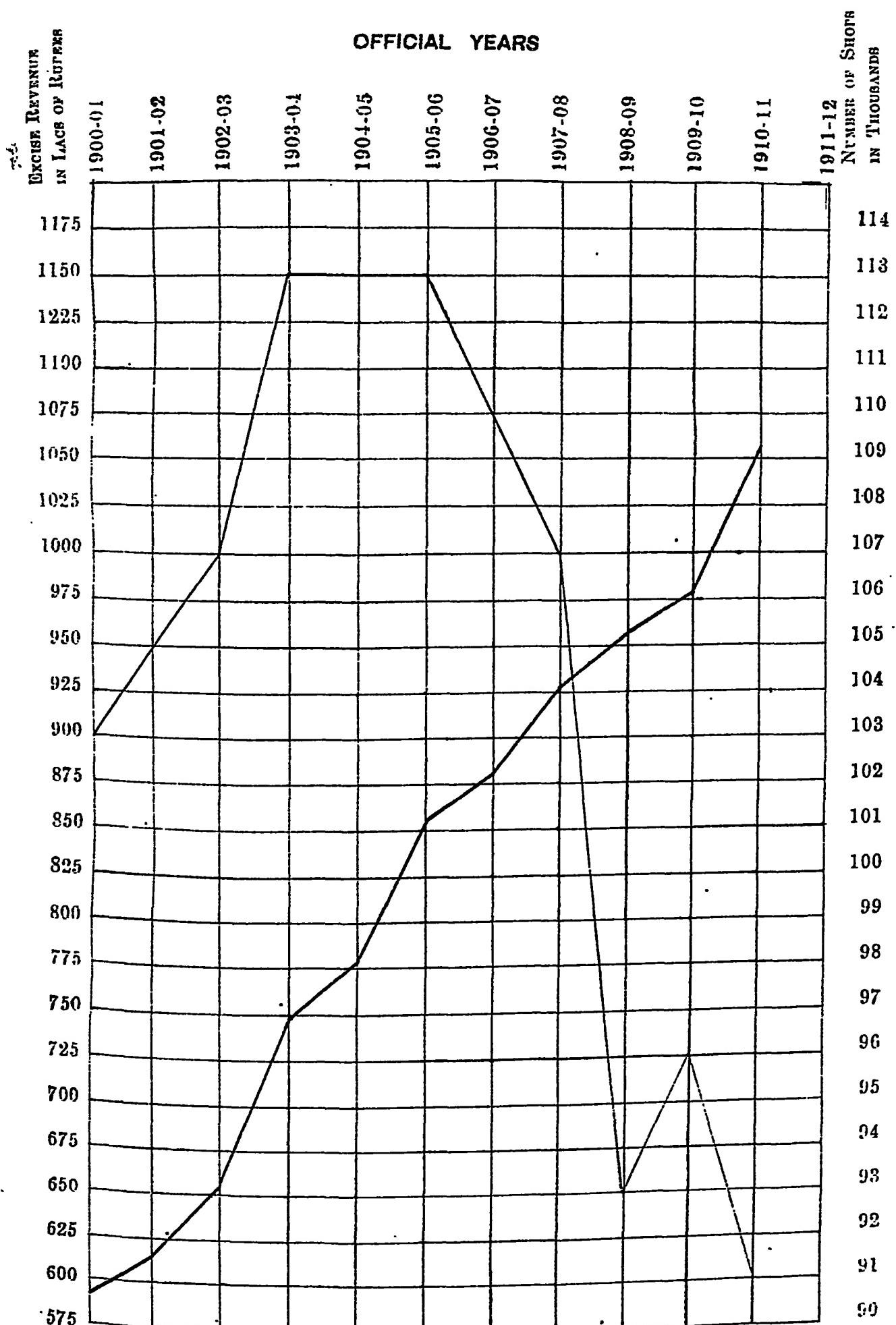


DIAGRAM II.—Showing fluctuations in Excise Revenue and changes in the Number of Shops of all kinds for British India, 1900 to 1911.



N.B.—This diagram is prepared from figures given on pages 136 and 137 of Statistics of British India for 1910-11 and preceding years, Part iv b.

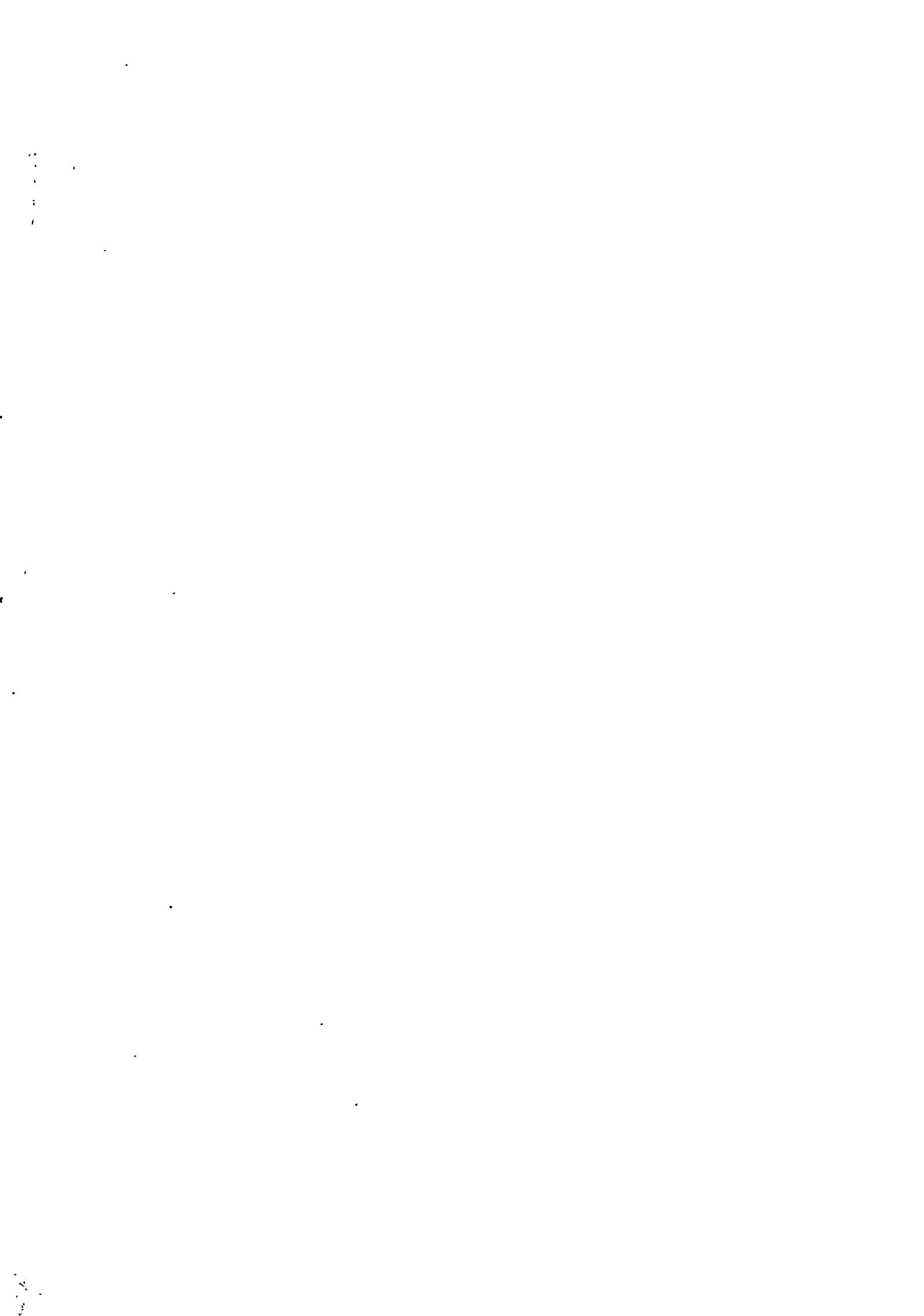
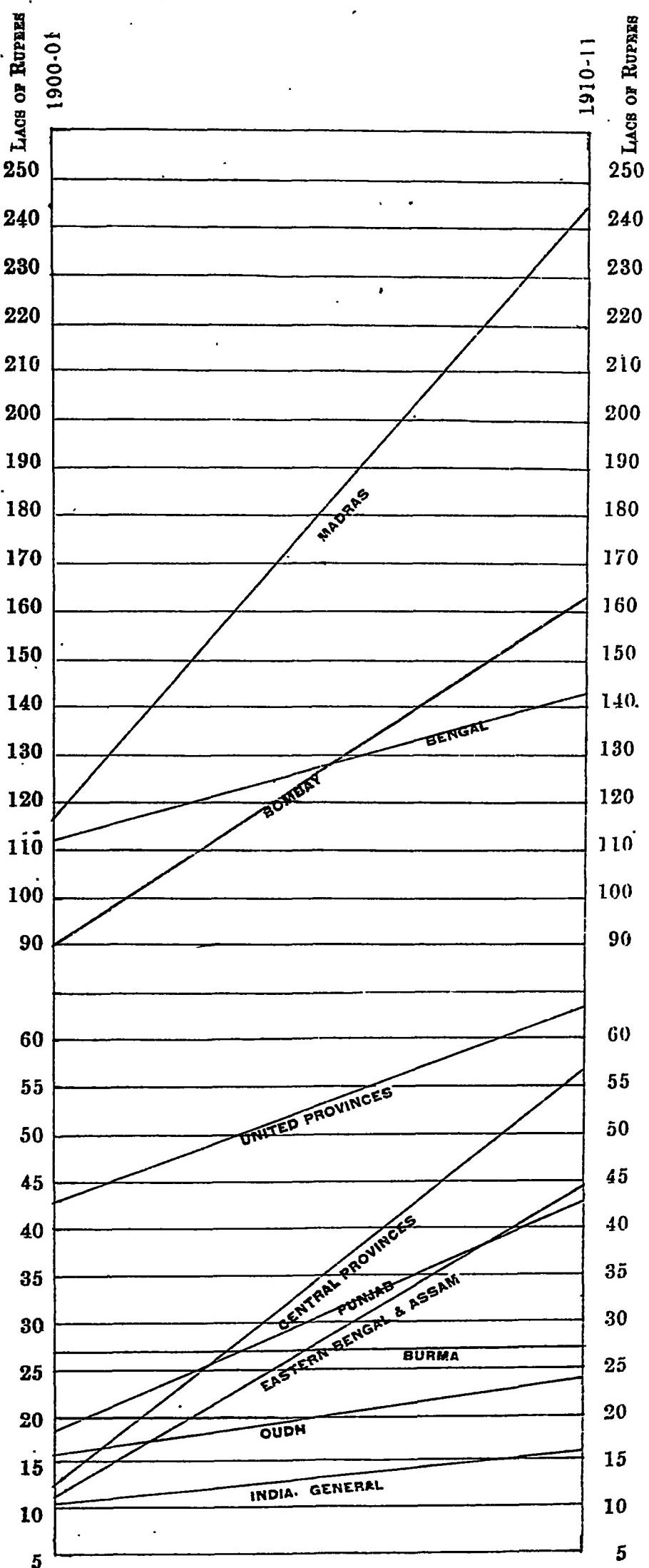
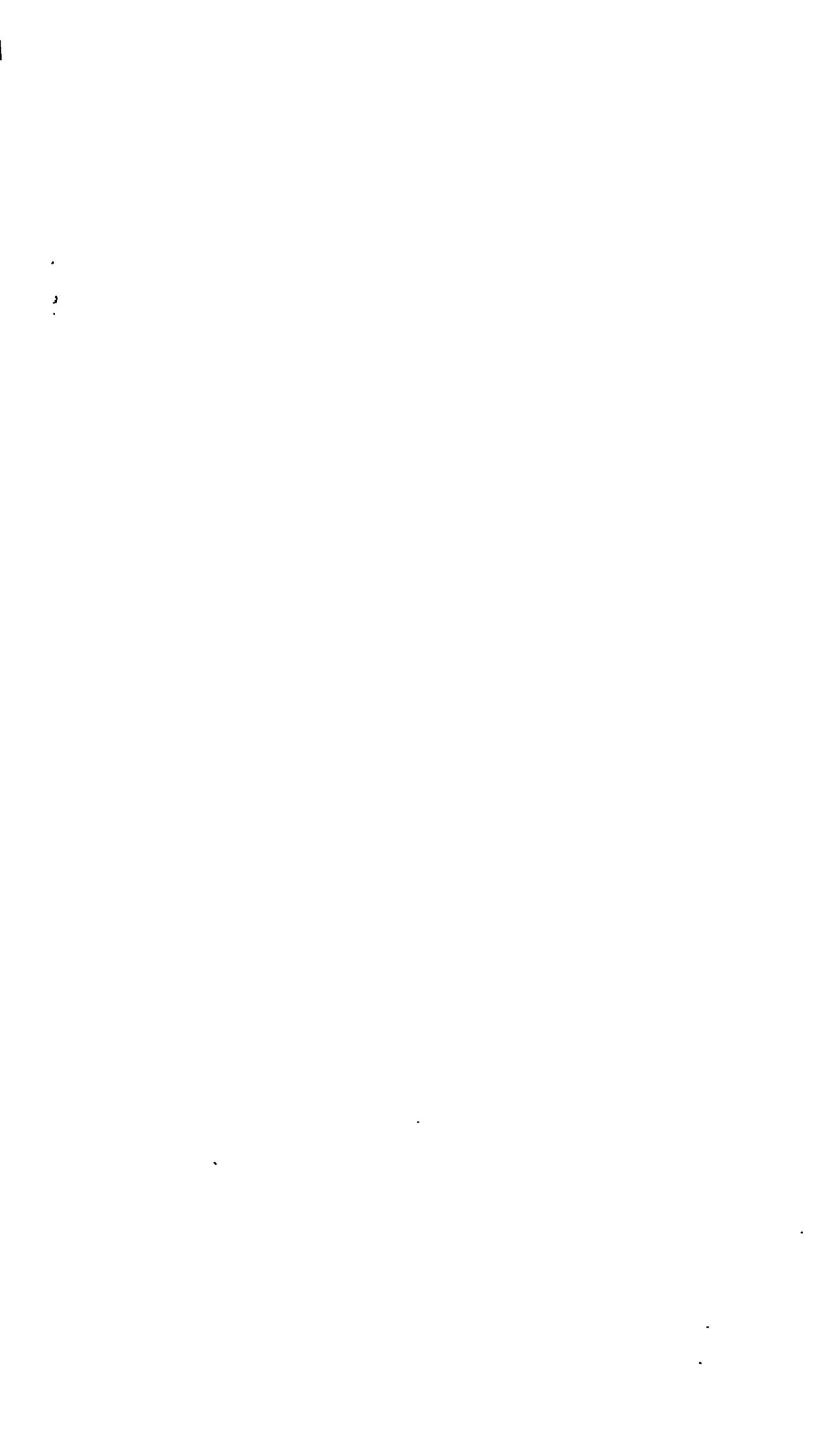


DIAGRAM IV.—Showing increase in net receipts from 1900 to 1911 for Excise Revenue exclusive of Opium in the several Provinces of British India.





Enclosure No. 18.

Speech by His Excellency the Viceroy.

I thank you, Dr. Sarvadikary, and you, My Lord Bishop, very cordially for the very kind and friendly references to myself and my administration contained in your speeches introducing the Deputation, and I can assure you, Gentlemen, that it gives me no little pleasure to receive your Deputation to-day. I need hardly tell you that the object which you have at heart is one which has my cordial sympathy and approval, and I should like at once to assure you that the Government of India, the Local Governments and Administrations, and their officials, are unanimous with you in desiring to promote the cause of Temperance in this country by all means within their powers.

Your memorial, Gentlemen, appears to me to cover very much the same ground as a similar representation recently made to the Secretary of State by a Deputation that waited upon him in July of last year. The Government of India have taken the occasion to review the results of our excise policy since the changes introduced after consideration of the Report of the Excise Committee which was appointed in 1905. Local Governments and Administrations have been consulted upon the main questions raised in the memorial presented to the Secretary of State, and the Government of India will shortly be addressing the Secretary of State on the whole subject. Your Deputation, therefore, has waited on me at a specially opportune moment.

You call attention, in the first place, to the increase in revenue from excise duties and the increase in consumption of liquor and drugs which have taken place since 1905. I have carefully studied the portion of your memorial in which you deal with this aspect of the case, and I am sure you will not attribute to me any desire to minimise the possible dangers of the present situation if I suggest that you appear to attach an excessive importance to increase in revenue as an indication of increase in consumption. There are many factors which make fluctuations in revenue a misleading measure of fluctuations in consumption. I desire to invite your close attention to certain statistical tables which have been specially drawn up in this connection, copies of which are available for the use of the members of the Deputation. An examination of these statistics shows that during the last seven years,—that is, in the period that has elapsed since the revision of our excise arrangements which followed the Report of the Excise Committee of 1905-06,—while the revenue per proof gallon or seer from country spirits, from opium, and from hemp drugs, has increased by 28, 26 and 46 per cent., respectively, the consumption of these articles per hundred of the population has in the case of country spirits increased by only 5 per cent., surely a comparatively insignificant figure. The consumption has remained stationary in the case of opium; and in the case of hemp drugs it has decreased by more than 8 per cent. Again, if we take the case of foreign liquors, while the total receipts from customs duty have increased by over 29 per cent., the total imports have fallen off by about 6 per cent. It is true that during this period the *recorded* consumption of country spirits shows an increase of nearly 41 per cent.; but I desire to draw attention to the fact that this increase is largely misleading, since the recorded consumption increases with every increase in the substitution of our central distillery system for the outstill system, under which no record of consumption can be maintained. During the last seven years, this process of substitution has occurred in very large areas. You are doubtless aware also that the suppression of illicit manufacture due to greater vigilance and more efficient control necessarily leads to an increase in the total recorded consumption. I am inclined to think, therefore, that the general position we have attained in connection with the consumption of intoxicants in India is scarcely so alarming as your memorial would appear to suggest. At the same time, the matter undoubtedly merits the close attention of Government, with a view to measures being taken to prevent any undue expansion of consumption. Our chief means for the attainment of this end has been a steady and judicious raising of the duties on all classes of intoxicants, accompanied by a reduction in the facilities for obtaining them. The duties have been substantially increased during the last seven years; and to this fact must

for the most part be attributed the great rise in the excise revenue which you deplore ; in fact, the rise of revenue is the effect of increased duties rather than the result of increased consumption. Large reductions have at the same time been made in the number of shops licensed to sell intoxicants, and, as the statistical tables will show you, the net number of shops abolished during the last seven years reaches the striking total of 11,500. These reductions have naturally caused an increase in the sales of shops, a fact to which you draw attention, though I am unable to discover that the increase is in any case as large as you suggest. But you will remember that an important result of these reductions is necessarily that, besides offering less inducement to intemperance, there is less competition between the shops, less tendency to force down prices in order to undersell rivals, fuller scope for the operation of high duties and vend fees as items in the cost of production—all of which lead to a general rise in the retail price and a corresponding discouragement of consumption. The Local Governments are in fact constantly using their powers to increase the duties on intoxicants and to reduce the facilities for their sale. It may indeed fairly be claimed that the settled policy of the Government of India, of securing maximum taxation with a minimum of consumption, has been steadily kept in view and is being steadily kept in view. At the same time, we cannot afford to forget that in India there is a practical limit to the amount by which the duties can be increased owing to the difficulty of preventing illicit manufacture and smuggling. It would be easy to do lip-service to the cause of Temperance by recklessly raising the duties and thus diminishing the recorded consumption ; but it would be impossible in many areas to prevent the almost certain consequence of a more than corresponding increase in illicit consumption, which would be a far more serious evil in its effect on the health and morals of the people.

The main requests affecting our excise administration which are contained in your statement are that the licensing functions of the administration should be separated from the revenue functions ; that the powers and functions entrusted to local advisory committees should be reconsidered ; and that the fixed fee system or some similar system of licensing should be substituted for the auction system of vend of licenses. I entirely appreciate the spirit in which these suggestions have been put forward, and you need have no apprehension that I should misunderstand your action in stating your views to me with complete frankness. One of my motives in receiving your Deputation was that you should be enabled to do so. At the same time, I cannot accept the assumption underlying the first of your proposals, namely, that the desire to secure larger revenue is a paramount motive in the mind of revenue officers when dealing with questions of excise. Your contention is that such a result must follow as an inevitable consequence of the combination of the dual functions in one officer. I think you overlook the high ideals which have always animated the officers of Government in their care for the true interests of the people entrusted to their charge. The Collector is responsible as Magistrate for the peace and sobriety of his district : this is his primary duty ; the revenue interests of Government, important as they are, must come and do come after it. I can find no evidence that officers aim at securing a large excise revenue through an increased consumption of intoxicants, or that they receive any encouragement to do so from their superiors. Such a procedure would be contrary to the whole spirit of British administration in India. I cannot, therefore, regard this objection to the present system as in itself a ground for the adoption of your second proposal that wider executive powers should be entrusted to advisory committees. Do not, however, think that I am not in sympathy with your desire to see an eventual development of local control. You will agree with me, however, that the introduction of such an important change in our administration is one which requires very careful examination and should not be embarked upon by Government unless they are very sure that the time is ripe. I doubt myself whether the moment has yet arrived, at least so far as the greater part of India is concerned, for entrusting wider executive control to local committees. At the same time, I think it very desirable that Local Governments and Administrations should make free use of these committees and that they should be as representative as possible. Substantial progress has been made in achieving this ideal. In this connection I attach great importance to the interesting

experiment which you have been kind enough to attribute to my influence, but which has in fact been initiated by the Government of Bengal, of establishing Licensing Boards in Calcutta and its suburbs and in Howrah and Bally. The results of this experiment will be very carefully watched, and, should it prove successful, I think the way will be cleared for a similar experiment in other large towns also. Meanwhile, it seems to me that it would be unwise to attempt to hasten a movement which has developed and is developing naturally on healthy lines of its own. Such a course might lead to results very different to that which you desire. Cases, for instance, have occurred in which the intervention of the executive authorities has been necessary to prevent an actual increase in the number of liquor shops being effected by an advisory committee. Nor do I think it possible to lay down any general instructions concerning the constitution of these committees : that is a matter which must clearly be left to the discretion of the Local Governments concerned.

I have read with interest your remarks concerning the auction system of vend which for many years past has formed one of the most controversial questions connected with the excise policy of the Government of India. The main objection usually urged against the auction system is that it may result in the license fee being in effect too high, and consequently forming an inducement to the licensee to press sales and to indulge in malpractices in order to increase consumption and recoup himself. The alternative fixed fee system, on the other hand, while involving the acceptance of a lower license fee, tends to create vested interests. One of these two difficulties is inherent in practically any system of licensing, and it is a matter of extreme difficulty to decide—indeed it can only be decided by experiment—which is the best type of system for a country such as India. You will remember that in 1907, Lord Morley, who had a lifelong knowledge of and interest in Temperance questions, in replying in England to a Deputation similar to your own, emphasised this difficulty,—the immense difficulty of deciding upon what is the best system of licensing the sale of liquor. Both the auction and the fixed fee systems have theoretical disadvantages and it is not easy to decide by which the cause of Temperance may best be served. You remark that the system now in force in Bombay does not compel the license-holder to push his trade and sell the maximum amount of liquor or drug possible during the period of his holding the license. In cases, no doubt, where the licensee has paid too much for his license in relation to its true value, he may be tempted to press consumption unduly ; but I am afraid that human nature is never averse to gain and it would be rash to assume that because a man has paid a small fee for his license he will not wish to see his customers consume and pay for the largest possible quantity of liquor. As I said just now, this question appears to me one which can only be finally decided by experiment. Hitherto, it cannot be said that experience has been decisive. According to information contained in the Excise Administration Report of the Bengal Presidency for 1912-13, in certain districts a reduction in the license fees on country spirits during the year was followed by an increase in the consumption of such spirits. We know also that the trial of the fixed fee system in certain selected districts of the Punjab in substitution for the auction system a few years ago was accompanied by an increased consumption. An experiment, however, is now in progress on a larger scale from which we may expect more conclusive results. The Government of India on the representation of the Government of Bombay sanctioned in 1911 the introduction of the fixed fee system in that Presidency as an experimental measure. It is reported that the working of the system has so far been attended with a fair measure of success, but it is too early yet to draw a general and decisive conclusion. I cannot at the moment say more than that the Government of India do not regard this question as closed. They are watching the Bombay experiment with close interest and, should its results prove satisfactory, they will consider the advisability of suggesting to other Local Governments that similar experiments might be initiated in suitable areas within their provinces.

With regard to your complaint that drink and drug shops are occasionally located on undesirable sites, I would remind you that instructions have already been issued to the local authorities to adhere as closely as possible to

the rules which have been laid down on the subject, and I see no reason to doubt that this will lead to the gradual abandonment of undesirable sites in the future.

I have already referred to the large reductions which have been made in the number of shops for the sale of intoxicants of all kinds. Statement III of the statements which have been supplied to you shows that there has been a slight increase in the number of foreign liquor shops. A large portion of this increase, however, is due chiefly to improvements in our system, whereby licenses are now insisted on in the case of bars, canteens, etc., for which they were not previously required. In other cases the reductions have been considerable.

You have very rightly drawn attention to the importance of restricting the hours of sale to reasonable hours. There is no doubt that early opening and late closing tend to increased consumption. But much has already been done by the Local Governments to check this tendency by reducing the hours, and such further measures as may be practicable, bearing in mind the reasonable needs of the people, will be taken to secure still further reductions.

In regard to your suggestion that the influence of the Education Department should be utilised to secure Temperance teaching in schools, I understand that in the majority of the larger provinces school readers already contain such lessons. But, as you observe, the necessity of Temperance teaching in schools and colleges does not really exist in India so far as discouraging intemperance amongst the students is concerned. The Government of India addressed Local Governments on this subject in 1907, and declared that it would be sufficient if the subject of intemperance were dealt with in a few sensible lessons in the sanctioned readers. The Local Governments have kept this suggestion steadily in mind.

I am in sympathy with your suggestion to provide counter-attractions to intemperance, and I am ready to bring your suggestions on this head to the notice of Local Governments for such action as may be feasible. It seems to me, however, that some of the detailed recommendations which you have made on this point, for instance, the dissemination of Temperance leaflets, and the like, relate to matters in which action might more appropriately be taken by the organisations which you represent than by Government; and I commend this proposal to your earnest consideration. I also agree with you in attaching importance to the maintenance of as accurate and complete statistics as possible of the consumption of liquors and drugs, so as to secure a true measure of the position from time to time in this country, and it is a question to which the Excise Department give constant attention. Statistics of the consumption of intoxicating articles can, however, be maintained by the Department only in so far as data are readily available. Those we publish are reasonably accurate so far as the consumption of the chief intoxicants is concerned. It is true that no statistics of the consumption of outstill country spirit or of toddy and other country fermented liquors are available; but the outstill system is now universally regarded as obsolete, and is being gradually and consistently ousted by the distillery system. In the case of toddy and other country fermented liquors it is clearly impossible to obtain any reliable statistics of consumption without an undue amount of interference with the consumers and vendors. In any case, these liquors are generally of low strength and much less deleterious than spirit. You are correct in asserting that the distribution of imported liquors between different provinces has not hitherto been accurately known; but statistics of their sale in each province are now furnished in the provincial Excise Reports in accordance with the instructions issued by the Government of India in 1911. To minimise illicit consumption, the extent of which cannot in the nature of things be accurately ascertained, the excise establishments of all provinces have also lately been, or are being, strengthened and revised.

Your anxiety that attempts to make drink harder or more expensive to obtain may drive consumers into more deleterious drug habits, is one which for long has been the concern of my Government. Under present conditions, however, it cannot be said that either opium or hemp drugs or potable liquors

(country or foreign) compete successfully with each other ; and you will find that this is borne out in the statistical tables which I have handed to you. As to cocaine, I and my Government have for some time past regarded the serious increase in the use of that dangerous drug with the gravest anxiety, and we, together with the Local Administrations, have devoted much attention to the problem of its prevention. Within the last eighteen months legislation has been passed or initiated in several provinces greatly increasing the penalties for unlawful dealings in it with a view to render punishments more deterrent. Very special efforts have been made by our preventive officers to detect cocaine offences, and in spite of the fact that the drug is capable of being very easily smuggled, these efforts have, I am glad to say, met with a considerable measure of success. But the most efficient method of checking the illicit trade in this drug, which unfortunately is now a feature of several great ports of India, lies in the imposition of control over its manufacture and sale in the countries of production. You are no doubt aware of the part which the Government of India have taken in the recent Opium Conferences at the Hague with the object of designing international control over such manufacture and sale. It is hoped in this way to make it difficult to bring out to India large quantities of the drug, which offers, owing to the very high price at which it sells, an irresistible temptation to smuggling and illicit possession. The Government of India, I may add, have no revenue interest whatever in the traffic in cocaine which, as you are aware, can only be obtained from abroad.

I have put freely before you, Gentlemen, recognising the important and representative nature of this Deputation, what Government are doing, and are prepared to do, to control the consumption of drink and drugs in India. But you must remember that there are natural forces outside Government's control which are making for indulgence in intoxicants in this country. The population, agricultural and industrial alike, is becoming increasingly prosperous. We observe, too, in India the beginnings of a tendency, of which the development is giving much anxiety in western countries, for the people to flow from the rural districts into the towns where drinking habits are far more rife. An even more important influence, perhaps, is the gradual relaxation of social and religious restrictions on drinking. Were Government, therefore, to adopt extreme measures of restriction, or to endeavour to force the pace unduly upon the path which they have marked out for themselves, there would be the gravest danger of creating a stimulus to illicit manufacture and consumption which might lead to a general breakdown of control. My Government and Local Administrations will not relax their steady policy of watchfulness and of restriction based on practical expedients for checking excessive consumption. In our endeavours, Gentlemen, I am glad to hear from you, that we may be assured of your sympathetic co-operation. Government can do much, and our efforts will not be spared; but I cannot better conclude what I have to say to you to-day than by borrowing from your memorial a sentence with which I am in the fullest agreement—" Real reform must come from among the people themselves."

I.
Statement showing the consumption per 100 of the population of excisable articles of different kinds in the different provinces of India for each of the years 1905-06 and 1912-13.

Province.	Country spirit.			Ovum.			Hemp drugs.		
	1905-06.		1912-13.	1905-06.		1912-13.	1905-06.		1912-13.
	1	2	3	4	5	6	7	8	
				Proof gals.	Proof gal.	Score.	Score.	Score.	Score.
Madras	3.33	.10	.13	.13	.13
Bombay	15.65	.23	.27	.24	.10
Sind	5.70	.03	.03	.03	.00
Bengal	1.63	.11	.15	.11	.11
Bihar and Orissa	3.90	.21	.09	.11	.17
Burma	0.79	.10	.85	.45	...
United Provinces	2.94	.71	.11	.13	.17
Punjab	2.37	.29	.03	.03	.00
North-West Frontier Province82	1.17	.15	.10	.15
Assam	3.43	.11	.08	.04	.51
Central Provinces	9.51	8.12	.02	.02	.07
Bihar	19.09	11.27	.64	.65	.31
Ajmer-Merwara	8.27	10.31	.74	.57	.65
Goor	1.40	15.14	.02	.03	.12
Baluchistan	6.86	.18	.19	1.43	.15
Total	...	4.61	4.76	...	...	...	21	17	.13
Increase (+) or decrease (-) in 1912-13	+	24	...	...	...	...	- .04

II.

Statement showing the total imports into India of potable foreign liquors of all kinds.

(In thousands of bulk gallons.)

Year.	Fermented liquors.	Potable spirits.	Liqueurs.	Wines.	Total.	Year.					
1	2	3	4	5	6	7					
1905-06	5,011	1,370	342	6,739	1905-06		
1906-07	4,927	1,191	12	329	6,459	1906-07
1907-08	4,889	1,319	13	347	6,568	1907-08
1908-09	4,807	1,368	13	238	6,026	1908-09
1909-10	4,194	1,317	13	338	5,862	1909-10
1910-11	4,254	1,202	13	332	5,801	1910-11
1911-12	4,251	1,213	15	336	5,815	1911-12
1912-13	4,746	1,248	15	342	6,351	1912-13

III.

Statement showing the number of shops for the retail sale of excisable articles of different kinds in the different provinces of India in each of the years 1905-06 and 1912-13.

Province.	Country spirit.			Foreign liquors.			Opium.			Hemp drugs.		
	1905-06.		1912-13.	1905-06.		1912-13.	1905-06.		1912-13.	1905-06.		1912-13.
	1	2	3	4	5	6	7	8	9	10	11	
Raj	1,211	851	633	538		
Bang	2,614	2,114	737	815	786	559	572	
Guj	292	249	134	170	271	246	481	378
Ker and Orissa	1,356	1,287	572	564	1,173	908	1,896	1,757
Mah	2,242	2,088	104	132	650	673	1,597	1,648
Sind	78	130	326	361	128	124	...	...
Mad Provinces	5,971	4,742	337	276	1,223	1,094	3,765	3,463
Punjab	1,237	795	304	264	1,380	902	969	541
W. Frontier Province	51	37	45	49	95	70	101	75
Assam	206	188	87	102	736	402	296	249
Central Provinces	6,653	3,060	148	125	1,192	761	1,269	911
Raj	927	699	28	15	431	296	192	192
S. Bihar and Orissa	137	128	9	11	55	41	17	16
G	42	33	-	8	3	3	5	5
Orissa	146	62	32	41	124	60	124	68
Total	...	32,376	24,588	...	3,238	3,419	9,487	7,107	11,904	10,388	...	
Difference (+) or decrease (-) in 1912-13	-7,768	...	+181	...	-2,380	...	...	-1,516

Statement showing the incidence of revenue derived per proof gallon or seer from the sale of excisable articles of
the different provinces
of India in each of the years 1905-06 and 1912-13.

237

Province.	Country spirit.		Opium.		Hemp drugs.		REMARKS.
	1905-06.	1912-13.	1905-06.	1912-13.	1905-06.	1912-13.	
1	2	3	4	5	6	7	8
Madras	5·98	7·97	19·89	38·48
Bombay	5·80	5·74	16·19	26·37
Sind	5·20	6·59	22·86	31·34
Dengal	7·61	7·43	28·07	34·80
Bihar and Orissa	3·21	3·28	31·76	37·15
Burman	8·06	6·17	53·94	78·20
United Provinces	4·34	4·80	12·87	18·49
Punjab	5·51	8·57	11·02	18·39
North-West Frontier Province	6·80	8·08	15·19	20·84
Assam	4·24	5·58	35·17	44·16
Central Provinces	4·02	5·62	22·91	32·68
Rajar	6·12	7·24	33·73	35·89
Ajmer, Merwara	2·66	5·85	8·88	10·21
Coorg	6·07	7·21	33·93	33·33
Malabaristan	1 ...	6·05	26·76	33·33
Total	...	473	6·05	27·25	34·32	7·99	11·66
Increase (+) or decrease (-) in 1912-13	+1·32	...	+7·07	...	+3·67

V.

Statement showing the gross amount of Customs duty collected in British India on imported liquors of all kinds in each of the years 1905-06 to 1912-13.

(In lakhs of rupees.)

Year.	Formonted liquors.	Spirits and liqueurs.			Wines.	Total.
		1	2	3		
1905-06	3.12	3.97
1906-07	3.09	3.83
1907-08	3.85	92.00
1908-09	5.27	95.27
1909-10	5.40	95.57
1910-11	8.00	106.87
1911-12	8.00	110.83
1912-13	8.86	111.31
					+21.40	+28.57
Increase (+) or decrease (-) in 1912-13 as compared with 1905-06		+1.83	

*Statement showing the rates of duty per proof gallon imposed on country spirit in the four Presidency towns of Calcutta, Boro
Madras and Rangoon in
1905-06 and 1912-13.*

	Towns.	1905-06.	1912-13.
		Rs. A. P.	Rs. A. P.
	Calcutta	..	5 0 0
	"	..	5 10 0
	Mhowra spirit	..	6 0 0
	...{		{ 4 12 8
(a) Bombay	Tellicherry	..	4 7 10
	"	..	7 8 0
	...}		7 0 0
(a) Madras	"	..	..
Rangoon	"	..	..

Figures are for 1911-12, the latest available

	Descriptions of liquors.	1905-06.	1912-13.
to in force up to 26th February 1906	Fermented liquors Liquours	... ...	Rs. A. P. 0 1 0 0 3 0 per imperial gallon.
to in force from 26th February 1906	Other potable spirit containing more than 42 per cent of proof spirit. Champagne and all other sparkling wines containing more than 42 per cent of spirit.	Rs. A. P. 6 10 0 (b) 10 0 0 (c)	Rs. A. P. 6 0 0 (b) 7 0 0 (c) 9 6 0 per proof gallon.
	Wines All m	Rs. A. P. 2 8 0	Rs. A. P. 3 12 8 per imperial gallon.
		Rs. A. P. 1 0 0	Rs. A. P. 1 8 0 per imperial gallon.

